

Date: 25<sup>th</sup> July 2017

To

Listing Department,  
National Stock Exchange of India Limited,  
Exchange plaza, 5<sup>th</sup> floor,  
Plot No. C/1. G Block,  
Bandra- Kurla Complex, Bandra (E)  
Mumbai- 400 051

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 the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Please find enclosed the Annual Report of the company for the Financial year 2016-17.

The Exchange was already informed about the Annual General Meeting of the company held on 21<sup>st</sup> July 2017.

This is for your kind information.

You are requested to take the above on your records.

Thanking you

For Apollo Sindoori Hotels Limited



Shuganya. K  
Company Secretary





EXCELLENCE IN  
HOSPITALITY

19th  
ANNUAL  
REPORT  
2017



**Apollo Sindoori**

Excellence in Hospitality



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# APOLLO SINDOORI HOTELS LIMITED

CIN:L72300TN1998PLC041360

## Corporate Information (As on 31<sup>st</sup> March 2017)

### BOARD OF DIRECTORS

Chairman P.Vijayakumar Reddy

Managing Director Sucharitha Reddy

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

### Management Team

Chief Executive Officer C.Natarajan

Company Secretary Prakash Chandra Panda\*

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

Secretarial Auditor Mr.Gouri Shanker Mishra  
IInd Floor  
76, PS Sivaswamy Salai  
Mylapore  
Chennai-600 004.

### BOARD COMMITTEES

#### Audit Committee

G.Venkatraman - Chairman  
Suresh R.Madhok  
George Eapen

#### Stakeholders Relationship Committee

Suresh R. Madhok - Chairman  
Sindoori Reddy  
George Eapen

#### Nomination & Remuneration Committee

G.Venkatraman - Chairman  
Suresh R.Madhok  
George Eapen

\*Prakash Chandra Panda resigned on 11<sup>th</sup> April 2017

**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: [cameo@cameoindia.com](mailto:cameo@cameoindia.com)  
Web: [www.cameoindia.com](http://www.cameoindia.com)

**Registered Office &  
Administrative Office**

#16 Apollo Annex Building I floor  
Wallace Garden 1st Street Chennai – 600 006.  
Phone:91 44 4904 5000  
e-mail: [info@apollosindoori.com](mailto:info@apollosindoori.com)

**WebSite**

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

**Listed at**

National Stock Exchange of India Limited, Mumbai.  
Symbol:APOLSINHOT

# APOLLO SINDOORI HOTELS LIMITED

CIN:L72300TN1998PLC041360

Registered Office: #16 Apollo Annex Building I floor  
Wallace Garden 1st Street Chennai – 600 006.

## NOTICE TO SHAREHOLDERS

Dear Shareholder(s)

Notice is hereby given that the Nineteenth Annual General Meeting of the Shareholders of Apollo Sindoori Hotels Limited will be held on Friday the 21<sup>st</sup> July., 2017 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 the Audited Balance Sheet as at 31st March 2017, Profit and Loss Account for the year ended 31<sup>st</sup> March 2017 and together with the Reports of the Board of Directors and the Auditors thereon.
- 2) To declare final dividend to shareholders.
- 3) To appoint a director in place of Mrs. Suneeta Reddy (DIN00001873) Director who retires by rotation and being eligible offers himself for re-appointment.
- 4) 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. P. Chandrasekhar & Co, Chartered Accountants, be and is hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of 19th Annual General Meeting till the conclusion of 29th Annual General Meeting of the Company, subject to ratification as to the said appointment at every Annual General Meeting on such remuneration including out of pocket expenses and other expenses as may be mutually agreed by and between the Board of Directors and the Auditor."

"RESOLVED FURTHER THAT to give effect to above resolution, the Board of Directors of the Company be and is hereby authorized for and on behalf of the Company to take all necessary steps and to do all such acts, deeds, matters and things which may deem necessary in this behalf."

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

Shuganya.K  
Company Secretary  
Registered office: Wallace Garden, 1st Street  
Nungambakkam, Chennai-600 006  
CIN: L72300TN1998PLC041360  
Website: www.apollosindoori.com  
Email: secretary@apollosindoori.com

Place: Chennai  
Date : 28/06/2017

## 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**

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 2016-2017 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.Suneeta Reddy

Mrs. Suneeta Reddy is holding the Directorship of the Company since inception of the company. She received her Bachelor of Arts degree in Public Relations, Economics and Marketing from Stella Maris College in Chennai. She holds a Diploma in Financial Management from the Institute of Financial Management and Research, Chennai and has completed the Owner / President Management Program at Harvard Business School (HBS), Boston, USA. A key influencer in the Indian healthcare industry, Ms. Reddy is widely recognized for her contributions. She has held leadership positions including as Co-Chairperson of Healthcare Sub Committee - Confederation of Indian Industry (CII) and is a member in National Committee on Healthcare. She is also a member of the Harvard Business School India Advisory Board (IAB) and the Harvard Medical School Advisory Board. A compassionate and caring individual, Suneeta Reddy has provided financial aid to innumerable underprivileged patients, especially to children ailing with thalassemia.

### Other Directorships:

| S.no | Name of the Company   | Current Designation |
|------|---|---------------------|
| 1.   | Indraprastha Medical Corporation Limited                      | Director            |
| 2.   | Apollo Sindoori Hotels Limited                                | Director            |
| 3.   | Apollo Hospitals Enterprise Limited                           | Managing Director   |
| 4.   | Aircel Limited  | Nominee Director    |
| 5.   | Apollo Glencagles Hospital Limited                            | Director            |
| 6.   | Garuda Energy Private Limited                                 | Director            |
| 7.   | Viswambhara Power Private Limited                             | Director            |
| 8.   | Sirkazhi Port Private Limited                                 | Director            |
| 9.   | Deccan Digital Networks Private Limited                       | Director            |
| 10.  | Kalpatharu Infrastructure Development Company Private Limited | Director            |
| 11.  | Apollo Munich Health Insurance Company Limited                | Director            |
| 12.  | Aircel Smart Money Limited                                    | Director            |
| 13.  | Helios Holdings Private Limited                               | Director            |
| 14.  | Sindya Builders Private Limited                               | Director            |
| 15.  | Aircel Cellular Limited                                       | Director            |
| 16.  | Dishnet Wireless Limited                                      | Director            |
| 17.  | Faber Sindoori Management Services Private Limited            | Director            |

She holds 49,935 Equity shares of Rs.10/- each of the Company

Mrs. Suneeta Reddy is related to Mrs. Sindoori 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:

| <b>For Members holding shares both in Demat Form and physical form</b> |   |
|--|---|
| <b>PAN*</b>  | 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) |
| <b>DOB#</b>  | 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.   |
| <b>Dividend Bank Details#</b>  | 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 18th July 2017 (10:00 am) and ends on 20th July 2017 (5:00 pm). During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on 14th July 2017, 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 14th July 2017.

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**

Shuganya.K

Company Secretary

Registered office: Wallace Garden, 1st Street

Nungambakkam, Chennai-600 006

CIN: L72300TN1998PLC041360

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

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

Place: Chennai

Date : 28/06/2017

## CHAIRMAN'S MESSAGE

Dear Shareholders of Apollo Sindoori Family,

It gives me an immense pleasure to welcome you at the 19th Annual General Meeting and to place before you the Annual Report of your Company for the financial year 2016-17. I am delighted to inform our members that Apollo Sindoori Hotels Limited has delivered as a year of impressive performance despite challenging macroeconomic conditions prevailed across the Economy and Hospitality Industry. We remained steadfastly committed to our vision to be the most successful organization in the Food Service Industry.

The Annual Report for the year ended 31<sup>st</sup> March 2017 along with AGM Notice, Directors' report and the Audited Financials of the company have already been circulated to you. With your permission, I take them as read. Before I could touch upon the performance of the company, I would like to narrate the economic scenario under which the Company operated during the year and the challenges faced by the Company and industry.

This year has been marked by several historic economic policy developments. On the domestic side, a constitutional amendment paved the way for the long-awaited and transformational goods and services tax (GST) while demonetization of the large currency notes signaled a regime shift to punitively raise the costs of illicit activities.

In a challenging external environment, your company performed well and delivered another year of consistent, competitive and responsible growth. During the year the Company has recorded sales of Rs. 133 crores. PBT for 2016-17 is Rs.9.01 Crores as compared to loss of Rs. (3.36 Crores) for the financial year 2015-16. PAT increase to Rs. 6.01 Crores as compared to Loss of Rs. (2.42 Crores) for the last financial year.

The Major achievements during the year are as under :-

### **Control measures & initiatives:-**

- We were highly successful in implementing the restructuring process across all the Units and Corporate office.
- All the process was streamlined and controls were executed from the Corporate office.
- Robust control measures were taken to streamline expenses incurred in various departments across all units.
- New projects with various sectors like Banks, MNC, Institutions and Hospitals across India are in pipeline.
- We are also in the process of exploring more business opportunities across various sectors to spread our business wings PAN India.

I wish to place on record the deep appreciation of the valuable contribution of the entire management team and other employees at all levels, without which the progress achieved would have been unattainable. We have a proven track record of success and we believe we are well positioned to capitalize on the growth opportunities in front of us. I am energized by the opportunity ahead as we look to become the number-one Hospitality Company.

We remain committed to you, our shareholders and thank you for your continued confidence and support.

I acknowledge the valuable guidance, support and co-operation received from the Directors on the Board of the Company and thankful to the Banks.

With Warm Regards,

Chairman

## MANAGEMENT DISCUSSION & ANALYSIS

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

### 2. Economic Scenario

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF). The Government of India has forecasted that the Indian economy will grow by 7.1 per cent in FY 2016-17. As per the Economic Survey 2016-17, the Indian economy should grow between 6.75 and 7.5 per cent in FY 2017-18.

This year has been marked by several historic economic policy developments. On the domestic side, a constitutional amendment paved the way for the long-awaited and transformational goods and services tax 2 Economic Survey 2016-17 (GST) while demonetisation of the large currency notes signaled a regime shift to punitively raise the costs of illicit activities.

Under the Digital India initiative numerous steps have been taken by the Government of India. Some of them are as: The Government of India plans to revamp two of its digital initiatives, the United Payment Interface (UPI) and Unstructured Supplementary Service Data (USSD), to enable consumers to easily make transactions digitally, with or without an Internet connection, and thereby strengthen its push towards making India a digital economy.

### 3. Industry Structure and Its Development

The Indian food industry is poised for huge growth, increasing its contribution to world food trade every year. In India, the food sector has emerged as a high-growth and high-profit sector due to its immense potential for value addition, particularly within the food processing industry. The food industry, which is currently valued at US\$ 39.71 billion, is expected to grow at a Compounded Annual Growth Rate (CAGR) of 11 per cent to US\$ 65.4 billion by 2018. Food and grocery account for around 31 per cent of India's consumption basket. Accounting for about 32 per cent of the country's total food market, The Government of India has been instrumental in the growth and development of the food processing industry. The government through the Ministry of Food Processing Industries (MoFPI) is making all efforts to encourage investments in the business. It has approved proposals for joint ventures (JV), foreign collaborations, industrial licenses, and 100 per cent export oriented units. The Indian food and grocery market is the world's sixth largest, with retail contributing 70 per cent of the sales. The Indian food retail market is expected to reach Rs 61 lakh crore (US\$ 915 billion) by 2020.

#### Government Initiatives

Some of the major initiatives taken by the Government of India to improve the food processing sector in India are as follows:

- In Union Budget 2017-18, the Government of India has set up a dairy processing infra fund worth Rs 8,000 crore (US\$ 1.2 billion).
- Union Budget 2016-17 proposed 100 per cent FDI through FIPB (Foreign Investment Promotion Board) route in marketing of food products produced and manufactured in India.
- The Government of India has relaxed foreign direct investment (FDI) norms for the sector, allowing up to 100 per cent FDI in food product e-commerce through automatic route.
- The Food Safety and Standards Authority of India (FSSAI) plans to invest around Rs 482 crore (US\$ 72.3 million) to strengthen the food testing infrastructure in India, by upgrading 59 existing food testing laboratories and setting up 62 new mobile testing labs across the country.

#### 4. Financial Review

During the year the company has recorded sales of 133 crores. PBT for 2016-17 is Rs.9.01 Crores as compared to loss of Rs. (3.36 Crores) for the financial year 2015-16. PAT increase to Rs. 6.01 Crores as compared to Loss of Rs. (2.42 Crores) 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 developments during the year were 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

##### Opportunities

- Younger, more than 50% consumer base is below the age of 30 years
- High income earning, change in consumption patterns due to rising dual income groups
- Aspirational, looking for better standard of living – quality, variety, choices and convenience
- Health and hygiene conscious, shift to protein rich and organic foods
- Internet savvy, prefers shopping online for convenience and discounts

##### Threats

- Rising food prices has been a concern for the sector and expected to impact the demand if not controlled.
- High percent of food produced is wasted due to inefficiencies in supply chain affecting availability and also food prices.
- Shortage of skilled manpower with F&B specific skill sets has been a challenge and expected to impact demand.
- Product development and innovation in the sector has taken a back seat due to lack of investments and incentives.
- Change in consumption pattern, which is driven by quality (freshness of product), variety (range of products) and convenience (access to product), posing further challenges.
- The sector is largely unorganised: emergence of modern retail format and food services industry driving the organisation of the sector.

#### 7. Risks and Concern

Expensive real estate (per square feet rentals) in major cities and towns is a deterrent as food retail is a low margin business. As organised retail needs to comply with various regulations including FSSAI, APMC, and other local regulations, this leads to unfair competition with unorganised retail as the cost of compliance adds additional burden to the low margins. An efficient food supply chain is critical for organised food retail as food products need to be made available fresh and at good quality. Currently, this is turning out to be expensive due to lack of adequate cold storage/ chillers and cost of power.

The supply of foodgrain and fruits & vegetables is still under the old system of goods brought to mandis and the process is controlled by local bodies. This system restricts movement and handling of food products and also results in increase in prices of these products. The system needs to be overhauled to remove the bottlenecks in supply chain and reduce wastage. Foodgrain and edible oils are still covered under the old laws like Essential Commodities Act, relevancy of these laws needs to be relooked in the current context of modern consumption patterns and retailing.

## 8. Outlook

Franchising of outlets is expected to become the most preferred mode of expansion. Young generation has become the driver for growth. Hence, fast food outlets target them through innovative marketing strategies. Value added technology services can facilitate continuous improvement and can maintain food products fresh for a longer period of time. Localisation of the menu and also enriching eating out experience would help in attracting and retaining customers.

## 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 Nineteenth Annual Report on the business and operation of the Company together with the Audited Financial Statements for the year ended March 31, 2017.

### 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".

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

Your company's turnover is amounting to Rs. 133 crores. This growth in the challenging circumstances is testimony to the robustness of your company's business strategy and innovative service offerings that helped to capture new markets.

Your company's PBT for 2016-17 is Rs.9.01 Crores as compared to loss of Rs. (3.36 Crores) for the financial year 2015-16. PAT increase to Rs. 6.01 Crores as compared to Loss of Rs. (2.42 Crores) for the last financial year.

#### Financial Highlights: (Standalone)

(` in Rs)

| Details   | 2017                | 2016                |
|---|---------------------|---------------------|
| <b>Income:</b>  |                     |                     |
| Revenue from operations                                   | 13261,52,443        | 13182,57,840        |
| Other Income  | 45,68,390           | 108,95,975          |
| <b>Total Income</b>                                       | <b>13307,20,834</b> | <b>13291,53,815</b> |
| <b>Expenditure:</b>                                       |                     |                     |
| Consumption of Provisions & Stores                        | 4094,42,440         | 4880,26,337         |
| Employee benefit expense                                  | 6733,95,744         | 6366,89,371         |
| Finance Cost  | 26,62,003           | 76,19,168           |
| Depreciation and amortization expense                     | 90,88,398           | 78,34,392           |
| Other expenses  | 1460,31,386         | 1745,67,547         |
| <b>Total Expenses</b>                                     | <b>12406,19,972</b> | <b>13147,36,816</b> |
| Profit before exceptional and extraordinary items and tax | 901,00,862          | 144,16,999          |
| Exceptional Items   | -                   | -                   |
| Profit before extraordinary items and tax (V - VI)        | 901,00,862          | 144,16,999          |
| Less: Extraordinary Items                                 | -                   | 480,21,864          |
| Profit before tax (VII - VIII)                            | 901,00,862          | (336,04,865)        |
| Tax expense:  |                     |                     |
| (1) (a) Current tax                                       | 350,00,000          | -                   |
| (b) Previous year tax                                     | 13,23,741           | -                   |
| (2) Deferred tax  | (63,95,574)         | (93,84,518)         |
| <b>Net Profit(Loss) for the period</b>                    | <b>601,72,695</b>   | <b>(242,20,347)</b> |

### **3. Dividend**

Your Directors recommend 30% dividend to equity shareholders of the company for the financial year 2016-17.

### **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 2017-18.

### **7. Share Capital**

The paid up equity share capital as on March 31, 2017 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, 2017, 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.

## **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" was 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 4 times during the period April to March in the year 2016-17 on the following dates:

1. 27/05/2016
2. 29/07/2016
3. 09/11/2016
4. 11/02/2017

Audit Committee met on all the above dates during the year Audit Committee Meetings and on 27/05/2016 Stakeholders, Nomination & Remuneration Committee Meetings was 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.

| Particulars | March 31, 2017 (₹) | March 31, 2016 (₹) |
|-------------|--------------------|--------------------|
| Used        | 4,33,382           | 7,78,104           |
| Earned      | 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, 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 year 2017-18

The Board of Directors recommend to appointment of M/s P. Chandrasekhar, Chartered Accountants as Statutory Auditors of the Company from Financial year 2017-18 upon shareholders' approval from the ensuing 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.

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

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, 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 Report shall be circulated during the meeting.

## **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 2017 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. Suneeta Reddy (DIN00001873) 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 Mrs. Shuganya. K, as Company Secretary and Compliance officer of the Company with effect from 11<sup>th</sup> April 2017 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: 11-05-2017

Annexure - A

EXTRACT OF ANNUAL RETURN

As on the Financial year ended 31.03.2017

(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**

|   |   |
|---|---|
| CIN   | L72300TN1998PLC041360   |
| 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,<br>No.1, Club House Road,<br>Subramanian Building, Chennai - 600 002.<br>Ph:044 28460390<br>Mail:cameo@cameoindia.com<br>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)      | <b>Promoters</b>   |   |          |        |                   |   |          |        |                   |                          |
| 1)      | <b>Indian</b>  |   |          |        |                   |   |          |        |                   |                          |
| a)      | Individual/Hindu Undivided Family  | 664561  | 0        | 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                        |
|         | <b>Sub-Total (A)(1)</b>  | 726654  | 164287   | 890941 | 68.52             | 890941                                    | 0        | 890941 | 68.52             | 0                        |
| 2)      | <b>Foreign</b>   |   |          |        |                   |   |          |        |                   |                          |
| 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                        |
|         | <b>Sub-Total (A)(2)Total</b>   | 0   | 0        | 0      | 0                 | 0   | 0        | 0      | 0                 | 0                        |
|         | <b>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b> | 726654  | 164287   | 890941 | 68.52             | 890941                                    | 0        | 890941 | 68.52             | 0                        |

|          |   |               |               |                |              |                |               |                |              |          |
|----------|---|---------------|---------------|----------------|--------------|----------------|---------------|----------------|--------------|----------|
| <b>B</b> | <b>Public shareholding</b>  |               |               |                |              |                |               |                |              |          |
| <b>1</b> | <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>   | <b>0</b>      | <b>0</b>      | <b>0</b>       | <b>0</b>     | <b>0</b>       | <b>0</b>      | <b>0</b>       | <b>0</b>     | <b>0</b> |
| <b>2</b> | <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  | 1458          | -             | 1458           | 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>   | <b>182729</b> | <b>226530</b> | <b>409259</b>  | <b>31.48</b> | <b>210919</b>  | <b>198340</b> | <b>409259</b>  | <b>31.48</b> | <b>0</b> |
|          | <b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>                                 | <b>182729</b> | <b>226530</b> | <b>409259</b>  | <b>31.48</b> | <b>210919</b>  | <b>198340</b> | <b>409259</b>  | <b>31.48</b> | <b>0</b> |
| <b>C</b> | <b>Shares held by Custodian for GDRs &amp; ADRs</b>                                 | <b>0</b>      | <b>0</b>      | <b>0</b>       | <b>0</b>     | <b>0</b>       | <b>0</b>      | <b>0</b>       | <b>0</b>     | <b>0</b> |
|          | <b>GRAND TOTAL A+B+C</b>  | <b>909383</b> | <b>390817</b> | <b>1300200</b> | <b>100</b>   | <b>1101860</b> | <b>198340</b> | <b>1300200</b> | <b>100</b>   | <b>0</b> |

**(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 at the end of the year |                                  |
|-------|---|---|----------------------------------|--|----------------------------------|
|       |   | No. of shares                             | % of total shares of the Company | No. of shares                                  | % of total shares of the Company |
| 1.    | PRATHAP C REDDY<br>At the beginning of the year 01-Apr-2016         | 181610                                    | 13.9678                          | 181610   | 13.9678                          |
| 2.    | Sucharitha P Reddy<br>At the beginning of the year 01-Apr-2016      | 172110                                    | 13.2371                          | 172130   | 13.24                            |
| 3.    | Sangita Reddy<br>At the beginning of the year 01-Apr-2016           | 151848                                    | 11.6788                          | 151848   | 11.6788                          |
| 4.    | PCR Investments Limited<br>At the beginning of the year 01-Apr-2016 | 142000                                    | 10.9213                          | 142000   | 10.9213                          |
| 5.    | Shobana Kamineni<br>At the beginning of the year 01-Apr-2016        | 79086                                     | 6.0826                           | 79086  | 6.0826                           |

|     |   |       |        |       |        |
|-----|---|-------|--------|-------|--------|
| 6.  | Mrs. Suneeta Reddy<br>At the beginning of the<br>year 01-Apr-2016   | 49935 | 3.8405 | 49935 | 3.8405 |
| 7.  | Mr Vijayakumar Reddy<br>At the beginning of the<br>year 01-Apr-2016 | 25585 | 1.9677 | 25585 | 1.9677 |
| 8.  | Mrs Meenakshi Reddy<br>At the beginning of the<br>year 01-Apr-2016  | 25000 | 1.9227 | 25000 | 1.9227 |
| 9.  | Mrs Rohini Reddy<br>At the beginning of the<br>year 01-Apr-2016     | 25000 | 1.9227 | 25000 | 1.9227 |
| 10. | Mrs Preetha Reddy<br>At the beginning of the<br>year 01-Apr-2016    | 24432 | 1.8790 | 24432 | 1.8790 |
| 11. | Master Karthik Anand<br>At the beginning of the<br>year 01-Apr-2016 | 5200  | 0.3999 | 5200  | 0.3999 |
| 12. | Ms Sindoori Reddy<br>At the beginning of the<br>year 01-Apr-2016    | 3500  | 0.2691 | 3500  | 0.2691 |
| 13. | Ms Upasana Kamineni<br>At the beginning of the<br>year 01-Apr-2016  | 3000  | 0.2307 | 3000  | 0.2307 |
| 14. | Mr.Dwarakanath Reddy<br>At the beginning of the<br>year 01-Apr-2016 | 585   | 0.0449 | 585   | 0.0449 |
| 15. | Mr Anil Kamineni<br>At the beginning of the<br>year 01-Apr-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 at end of the year |                                  |
|--------|--|---|----------------------------------|--|----------------------------------|
|        |  | No of shares                              | % of total shares of the company | No of shares                               | % of total shares of the company |
| 1.     | VIJAYALAKSHMIS                           |   |                                  |  |                                  |
|        | At the beginning of the year 01-Apr-2016 | 120609                                    | 9.2761                           | 120609                                     | 9.2761                           |
|        | At the end of the Year 31-Mar-2017       | 115868                                    | 8.9116                           | 115868                                     | 2.9116                           |
| 2.     | MRS SULATHA BEEVI T S                    |   |                                  |  |                                  |
|        | At the beginning of the year 01-Apr-2016 | 31000                                     | 2.3842                           | 31000                                      | 2.3842                           |
|        | At the end of the Year 31-Mar-2017       | 31000                                     | 2.3842                           | 31000                                      | 2.3842                           |
| 3.     | M/S ENUGA ENTERPRISE LTD                 |   |                                  |  |                                  |
|        | At the beginning of the year 01-Apr-2016 | 28500                                     | 2.1919                           | 28500                                      | 2.1919                           |
|        | At the end of the Year 31-Mar-2017       | 28500                                     | 2.1919                           | 28500                                      | 2.1919                           |
| 4.     | M/S APOLLO SINDHOORI CAPITAL INVEST      |   |                                  |  |                                  |
|        | At the beginning of the year 01-Apr-2016 | 21700                                     | 1.6689                           | 21700                                      | 1.6689                           |
|        | At the end of the Year 31-Mar-2017       | 21700                                     | 1.6689                           | 21700                                      | 1.6689                           |
| 5.     | MR SRINIRAM D                            |   |                                  |  |                                  |
|        | At the beginning of the year 01-Apr-2016 | 10000                                     | 0.7691                           | 10000                                      | 0.7691                           |
|        | At the end of the Year 31-Mar-2017       | 11000                                     | 0.8460                           | 11000                                      | 0.8460                           |
| 6.     | MOIZ PANCHA                              |   |                                  |  |                                  |
|        | At the beginning of the year 01-Apr-2016 | 9600                                      | 0.7383                           | 9600                                       | 0.7383                           |
|        | At the end of the Year 31-Mar-2017       | 9600                                      | 0.7383                           | 9600                                       | 0.7383                           |
| 7.     | MR HAMEED ABDUL KADER N M                |   |                                  |  |                                  |
|        | At the beginning of the year 01-Apr-2016 | 9500                                      | 0.7306                           | 9500                                       | 0.7306                           |
|        | At the end of the Year 31-Mar-2017       | 9500                                      | 0.7306                           | 9500                                       | 0.7306                           |
| 8.     | ADITYA BIRLA MONEY LIMITED               |   |                                  |  |                                  |
|        | At the beginning of the year 01-Apr-2016 | 2504                                      | 0.1925                           | 0  | 0                                |
|        | At the end of the Year 31-Mar-2017       | 0   | 0                                | 0  | 0                                |
| 9.     | DR GOPALAKRISHNA N G BHAT M D            |   |                                  |  |                                  |
|        | At the beginning of the year 01-Apr-2016 | 5000                                      | 0.3845                           | 5000                                       | 0.3845                           |
|        | At the end of the Year 31-Mar-2017       | 5000                                      | 0.3845                           | 5000                                       | 0.3845                           |
| 10.    | M/S APOLLO HEALTH ASSOCIATION            |   |                                  |  |                                  |
|        | At the beginning of the year 01-Apr-2016 | 5000                                      | 0.3845                           | 5000                                       | 0.3845                           |
|        | At the end of the Year 31-Mar-2017       | 5000                                      | 0.3845                           | 5000                                       | 0.3845                           |
|        | <b>NEW TOP 10 AS ON (31-Mar-2017)</b>    |   |                                  |  |                                  |
| 11.    | SUNIL KUMAR GOHEL                        |   |                                  |  |                                  |
|        | At the beginning of the year 01-Apr-2016 | 4000                                      | 0.3076                           | 4000                                       | 0.3076                           |
|        | At the end of the Year 31-Mar-2017       | 2500                                      | 0.1923                           | 2500                                       | 0.1923                           |

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

| Sl. No | For Each of the Directors and KMP<br>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.     | Prakash Chandra Panda<br>*- Company Secretary*                    | 0   | 0                                | 0   | 0                                |
|        | Cumulative Shareholding during the year                           | NIL                                       | NIL                              | NIL                                       | NIL                              |

\* Resigned from the Company

**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   | 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>341.14</b>                 |
| <b>Change in Indebtedness during the financial year</b>    |                                  |                 |          |                               |
| i)Addition   | -                                | -               | -        | -                             |
| ii)Reduction   | -                                | -               | -        | -                             |
| <b>Net Change</b>  | -                                | -               | -        | -                             |
| <b>Indebtedness at the end of the financial year</b>       |                                  |                 |          |                               |
| I Principal Amount   | 659.43                           | -               | -        | 659.43                        |
| ii) Interest due but not paid                              | 0.42                             | -               | -        | 0.42                          |
| iii) Interest accrued but not due                          | -                                | -               | -        | -                             |
| <b>Total (i+ii+iii)</b>                                    | <b>659.85</b>                    | -               | -        | <b>659.85</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<br>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961<br>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961<br>(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | 12,00,000<br>NIL<br>NIL   | 12,00,000<br>NIL<br>NIL |
| 2.      | Stock Option   | NIL                       | NIL                     |
| 3.      | Sweat Equity   | NIL                       | NIL                     |
| 4.      | Commission<br>- as % of profit<br>- 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<br>Mr.Suresh R.Madhok<br>Mr.George Eapen         | 1,80,000<br>1,80,000<br>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<br>Mrs.Suneeta Reddy<br>Mrs.Sindoori Reddy | 20,000<br>80,000<br>60,000   |
|      | 2.Commission                                     | Nil   | Nil  |
|      | 3.Others, please specify<br>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<br>(Mr. Natarajan.C) | Company Secretary<br>(Prakash Chandra Panda) | Total (₹) |
| 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                             | 64,20,600                | 8,88,000                                     | 73,08,600 |
|      | (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961              |                          |  |           |

|   |  |                  |                 |                  |
|---|--|------------------|-----------------|------------------|
| 2 | Stock Option   | -                | -               | -                |
| 3 | Sweat Equity   | -                | -               | -                |
| 4 | Commission<br>- as % of profit<br>- others, specify... | -                | -               | -                |
| 5 | Others, please<br>Specify                              | -                | -               | -                |
|   | <b>Total</b>   | <b>64,20,600</b> | <b>8,88,000</b> | <b>73,08,600</b> |

\*Mr. Prakash Chandra Panda, Company Secretary resigned on 11th April 2017.

### 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            | 3          |
| 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 2017**

**[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 2017 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 2017 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 compliance 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. *The Company has failed to appoint Chief Financial Officer (CFO) within a period of six months from date of vacation of office by earlier CFO in compliance to Section 203(4) of the Act;*
2. *Secretarial Standard has not been followed properly for Board and Committee Meetings;*
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 per Regulations 15(2) of securities and exchange board of india (Listing Obligations and Disclosure Requirements) Regulations, 2015.*

#### **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 registered office of the Company has been shifted to No. 16, Apollo Annex Building, 2nd Floor, Wallace Garden 1st Street, Nungambakkam, Chennai – 600006 which is within the city limit as per Board Resolution dated 9th November 2016.*

**Gouri Shanker Mishra**

Place : Chennai

FCS No. 6906

Date : 11<sup>th</sup> May 2017

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 : 11<sup>th</sup> May 2017

## 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 2016-17, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 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 2016-17 | % increase in Remuneration in the Financial Year 2016-17 | 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 | 12,00,000   | -  | -   | Profit Before Tax and Extraordinary items was ₹9.01 Crores for the financial year 2016-17 |

- ii) There were 3900 employees which includes the permanent staff, FTC's Contracted/outsourced staff/Deputed staff as on March 31, 2017.
- iii) 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.
- iv) Remuneration of the key Managerial Personnel(s) was increased as per market condition:
- v) Variations in the market capitalization of the Company. The market capitalization as on March 31, 2017 Rs. 8047.58 was in comparison to previous year ended 31.03.2016 was Rs.2821.43Lakhs.
- vi) Price Earnings ratio of the Company was as 13.37% on March 31, 2017 in comparison to Price Earnings ratio of the Company was -11.64% as on 01st April 2016.
- vii) 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.

- viii) 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.
- ix) 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 2017, 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, 2017;
- b) in the case of the Statement of Profit and Loss, of the Profit 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, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017, 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.
  - iv. The company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and the same were in accordance with the books of accounts maintained by the company.

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

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

Place: Chennai

Date 11<sup>th</sup> May 2017

## **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 and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Tax Deducted at Source, Service Tax and Value added Tax and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Tax Deducted at Source, Service Tax and Value added Tax and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable, except for WCT which is due to the extent of Rs. 53,456.

(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 2017.

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 11<sup>th</sup> May 2017

**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 2017 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 2017, 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 11<sup>th</sup> May 2017

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

## Balance Sheet as at 31st March, 2017

| PARTICULARS                        | NOTE | 31.03.2017         | 31.03.2016          |
|------------------------------------|------|--------------------|---------------------|
| <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    | 1772,48,558        | 11,86,40,754        |
| <b>(2) Non-Current Liabilities</b> |      |                    |                     |
| (a) Long-term borrowings           | 5    | 41,36,319          | 41,66,667           |
| (b) Other Long term Liability      | 6    | 3,27,170           | 72,71,098           |
| © Long term provisions             | 7    | 511,53,865         | 5,38,95,125         |
| <b>(3) Current Liabilities</b>     |      |                    |                     |
| (a) Short-term borrowings          | 8    | 567,24,511         | 2,65,39,047         |
| (b) Trade Payables                 | 9    | 920,28,313         | 9,49,30,809         |
| (c) Other current liabilities      | 10   | 633,85,415         | 10,02,63,318        |
| (d) Short-term provisions          | 11   | 375,74,001         | 2,84,78,608         |
| <b>Total</b>                       |      | <b>4955,80,152</b> | <b>44,71,87,426</b> |
| <b>II. Assets</b>                  |      |                    |                     |
| <b>(1) Non-current assets</b>      |      |                    |                     |
| (a) Fixed assets                   | 12   |                    |                     |
| (i) Tangible assets                |      | 397,60,872         | 3,89,04,019         |
| (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   | 206,63,592         | 1,42,68,018         |
| (d) Long term loans and advances   | 15   | 146,83,028         | 1,67,13,445         |
| (e) Other Non-Current Asset        | 16   | 329,53,089         | 5,50,95,841         |
| <b>(2) Current assets</b>          |      |                    |                     |
| (a) Inventory                      | 17   | 94,60,926          | 1,14,49,312         |
| (b) Trade Receivables              | 18   | 3325,11,275        | 25,45,30,310        |
| (c) Cash and Bank Balances         | 19   | 208,51,090         | 2,61,30,598         |
| (d) Short-term loans and advances  | 20   | 42,43,630          | 1,26,43,233         |
| (e) Other current assets           | 21   | 200,00,000         | 1,70,00,000         |
| <b>Total</b>                       |      | <b>4955,80,152</b> | <b>44,71,87,426</b> |

### Significant Accounting Policies and Notes on Accounts 1 to 38

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

**Suresh R Madhok**  
Director

**R. Rajaram**  
Partner

**G Venkatraman**  
Director

Place: Chennai  
Date: 11.05.2017

**C Natarajan**  
Chief Executive Officer

**Shuganya K**  
Company Secretary

**Statement of Profit and Loss for the year ended 31st March 2017**

(Amt In INR)

| S.No  | Particulars   | Note | 31.03.2017<br>₹      | 31.03.2016<br>₹       |
|-------|---|------|----------------------|-----------------------|
| III.  | <b>INCOME:</b>  |      |                      |                       |
|       | Revenue from operations   | 22   | 1,326,152,443        | 1,31,82,57,840        |
|       | Other Income  | 23   | 4,568,390            | 1,08,95,975           |
|       | <b>Total Income</b>   |      | <b>1,330,720,833</b> | <b>1,32,91,53,815</b> |
| IV.   | <b>EXPENDITURE:</b>   |      |                      |                       |
|       | Consumption of Provisions & Stores                                  | 24   | 409,442,440          | 48,80,26,337          |
|       | Employee benefit expense  | 25   | 673,395,745          | 63,66,89,371          |
|       | Finance Cost  | 26   | 2,662,003            | 76,19,168             |
|       | Depreciation and amortization expense                               | 12   | 9,088,398            | 78,34,392             |
|       | Other expenses  | 27   | 146,031,386          | 17,45,67,547          |
|       | <b>Total Expenses</b>   |      | <b>1,240,619,972</b> | <b>1,31,47,36,816</b> |
| V.    | Profit before exceptional and extraordinary items and tax(III - IV) |      | 90,100,861           | 1,44,16,999           |
| VI.   | Exceptional Items   |      | -                    | -                     |
| VII.  | Profit before extraordinary items and tax (V - VI)                  |      | 90,100,861           | 1,44,16,999           |
| VIII. | Less: Extraordinary Items   |      | -                    | 4,80,21,864           |
| IX.   | Profit/(Loss) before tax (VII - VIII)                               |      | <b>90,100,861</b>    | <b>(3,36,04,865)</b>  |
| X.    | Tax expense:  |      |                      |                       |
|       | (1) (a) Current tax   |      | 350,00,000           | -                     |
|       | (b) Previous year tax   |      | 13,23,741            | -                     |
|       | (2) Deferred tax  |      | (6,395,574)          | (93,84,518)           |
| XI.   | Net Profit/(Loss) for the period(IX-X)                              |      | <b>601,72,694</b>    | <b>(2,42,20,347)</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   |      | 46.28                | 18.31                 |
|       | Earnings per share after extra-ordinary item                        |      |                      |                       |
|       | - Basic & Diluted EPS   |      | 46.28                | -18.63                |

**Significant Accounting Policies and Notes on Accounts 1 to 38**

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

**R.Rajaram**

Partner

Place: Chennai

Date: 11.05.2017

**Sucharitha Reddy**

Managing Director

**Suresh R Madhok**

Director

**G Venkatraman**

Director

**C Natarajan**

Chief Executive Officer

**Shuganya K**

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**

Property, Plant and Equipment 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 2017

| Particulars   | As at March 31, 2017 |                    | As at March 31, 2016 |                    |
|---|----------------------|--------------------|----------------------|--------------------|
| <b>Shareholder's fund</b>   |                      |                    |                      |                    |
| <b>Note 3:</b>  |                      |                    |                      |                    |
| <b>SHARE CAPITAL</b>  |                      |                    |                      |                    |
| <u>Authorised Capital</u>   |                      |                    |                      |                    |
| 50,00,000 Equity shares of ₹10/- each   |                      | 5,00,00,000        |                      | 5,00,00,000        |
| <u>Issued, Subscribed &amp; Paid up Capital</u>   |                      |                    |                      |                    |
| 13,00,200 Equity shares of ₹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>  | No's                 | ₹                  | No's                 | ₹                  |
| 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 ₹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)                              | No's                 | % of holding       | No's                 | % 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%              |
|   | 8,48,630             | 65.27%             | 8,48,630             | 65.27%             |
| <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. 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   | 1006,06,078          |                    | 12,48,26,425         |                    |
| (+) Net Profit / (Loss) for the year  | 601,72,695           |                    | (2,42,20,347)        |                    |
| (+) Transfer from Reserves  | -                    |                    | -                    |                    |
| (-) Depreciation adjusted with reserve  | -                    |                    | -                    |                    |
| (-) Transfer to General Reserve   | -                    |                    | -                    |                    |
| (-) Interim Dividend - Equity 10%   | 13,00,200            |                    | -                    |                    |
| (-) Tax on Interim Dividend Paid  | 2,64,690             |                    | -                    |                    |
| Closing balance   |                      | 1592,13,882        |                      | 1006,06,078        |
| <b>Total</b>  |                      | <b>1772,48,558</b> |                      | <b>1186,40,754</b> |

## Notes to financial statements for the year ended 31st March 2017

| Particulars   | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|---|-------------------------|-------------------------|
| <b>Note 5:</b>  |                         |                         |
| <b>LONG TERM BORROWINGS</b>   |                         |                         |
| <b>Secured:</b>   |                         |                         |
| Vehicle Loan from Bank (1)  | 33,02,986               | -                       |
| Term Loan (2)   | 8,33,333                | 41,66,667               |
| <b>Total</b>  | <b>41,36,319</b>        | <b>41,66,667</b>        |
| <b>Current maturities of Long Term borrowings</b>   | <b>50,82,554</b>        | <b>33,33,333</b>        |
| <i>1)The vehicle loan carries interest at the rate of 9.50% pa and has to be repaid in 36 equal installments from December 2016. Loan is secured against hypothecation of vehicle</i>   |                         |                         |
| <i>2)The loan is repayable in 12 equal quarterly instalments of ₹ 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                |
| <b>Total</b>  | <b>3,27,170</b>         | <b>3,27,170</b>         |
| <b>Note 7:</b>  |                         |                         |
| <b>LONG TERM PROVISIONS:</b>  |                         |                         |
| Provision for Employee Benefits:  |                         |                         |
| Provision for Leave Encashment  | 171,15,980              | 131,57,272              |
| Provision for Gratuity  | 340,37,885              | 407,37,853              |
| <b>Total</b>  | <b>511,53,865</b>       | <b>538,95,125</b>       |
| <b>Note 8:</b>  |                         |                         |
| <b>SHORT TERM BORROWINGS:</b>   |                         |                         |
| <b>Loan Repayable on Demand: (Secured)</b>  |                         |                         |
| Cash Credit with Bank (3)   | 567,24,511              | 265,39,047              |
| <b>Total</b>  | <b>567,24,511</b>       | <b>265,39,047</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  | 920,28,313              | 997,44,936              |
| <b>Total</b>  | <b>920,28,313</b>       | <b>997,44,936</b>       |

**Notes to financial statements for the year ended 31st March 2017**

| Particulars  | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|--|-------------------------|-------------------------|
| <b>Note 10:</b>  |                         |                         |
| <b>OTHER CURRENT LIABILITIES</b>                       |                         |                         |
| Current maturities on term/vehicle loan (refer note 5) | 50,82,554               | 33,33,333               |
| Creditors for Expenses                                 | 194,28,380              | 2,67,70,402             |
| Statutory Dues   | 312,31,247              | 3,03,74,457             |
| Employee Dues  | 37,27,048               | 3,93,08,724             |
| Unpaid Dividend  | 27,81,986               | 19,37,015               |
| Advance Receipts                                       | 4,499                   | 1,12,259                |
| Other liabilities                                      | 11,29,701               | 5,56,929                |
| <b>Total</b>   | <b>633,85,415</b>       | <b>1023,93,119</b>      |
| <b>Note 11:</b>  |                         |                         |
| <b>SHORT TERM PROVISIONS:</b>                          |                         |                         |
| <b>Provision for Employee Benefits:</b>                |                         |                         |
| Provision for Bonus                                    | 332,62,911              | 2,58,50,000             |
| Provision for Gratuity                                 | 36,38,629               | 20,68,175               |
| Provision for Leave Encashment                         | 6,72,461                | 5,60,433                |
| <b>Total</b>   | <b>375,74,001</b>       | <b>2,84,78,608</b>      |

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

Amount in Rupees

| PARTICULARS                    | ORIGINAL COST         |                           |                           | DEPRECIATION          |                   |                                    | NET BOOK VALUE   |                   |                   |
|--------------------------------|-----------------------|---------------------------|---------------------------|-----------------------|-------------------|------------------------------------|------------------|-------------------|-------------------|
|                                | Cost as at 01.04.2016 | Additions during the Year | Deletions during the Year | Cost as at 31.03.2017 | For the Year      | Depreciation adjusted with reserve | Deletions        | As at 31.03.2017  | As at 31.03.2016  |
|                                |                       |                           |                           | As at 01.04.2016      |                   |                                    |                  | As at 31.03.2017  | As at 31.03.2016  |
| Temporary Constructions        | 8,27,997              | -                         | -                         | 8,27,997              | -                 | -                                  | -                | 8,27,997          | -                 |
| Computers                      | 120,58,801            | 14,52,892                 | -                         | 80,85,904             | 20,64,323         | -                                  | -                | 101,50,227        | 33,61,466         |
| Electrical Installations       | 70,67,858             | 1,34,139                  | -                         | 72,01,997             | 499,515           | -                                  | -                | 30,08,509         | 41,93,488         |
| Furniture & Fittings           | 158,70,457            | 11,97,706                 | -                         | 170,68,163            | 13,63,573         | -                                  | -                | 56,82,501         | 113,85,662        |
| Kitchen Equipments             | 273,39,017            | 58,350                    | -                         | 273,97,367            | 43,02,243         | -                                  | -                | 170,04,496        | 103,92,871        |
| Vehicles                       | 42,48,921             | 77,16,000                 | -                         | 108,38,051            | 7,16,852          | -                                  | 4,55,534         | 10,73,260         | 97,64,791         |
| Office Equipments              | 27,09,915             | 57,500                    | 11,26,870                 | 27,67,415             | 141,892           | -                                  | -                | 21,04,821         | 662,594           |
| Plant & Machinery              | 45,29,435             | -                         | -                         | 45,29,435             | -                 | -                                  | -                | 45,29,435         | -                 |
| <b>TOTAL</b>                   | <b>746,52,401</b>     | <b>106,16,587</b>         | <b>11,26,870</b>          | <b>8,41,42,118</b>    | <b>90,88,398</b>  | <b>-</b>                           | <b>4,55,534</b>  | <b>443,81,246</b> | <b>397,60,872</b> |
| <b>PREVIOUS YEAR(31.03.15)</b> | <b>497,64,703</b>     | <b>315,84,753</b>         | <b>66,97,055</b>          | <b>746,52,401</b>     | <b>119,06,409</b> | <b>*</b>                           | <b>48,11,566</b> | <b>357,48,382</b> | <b>389,04,019</b> |

**Notes:**

\*. Depreciation includes 100% Depreciation on Electrical Installation of Rs.5,58,848/- of Suruchi Restaurant Asset in the year 2015-16 and 100% Depreciation on Furniture & Fixtures of Rs.35,13,168/- of Suruchi Restaurant Asset in the year 2015-16 which has been charged as extraordinary items (refer note no.34)

**Notes to financial statements for the year ended 31st March 2017**

| Particulars   | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|---|-------------------------|-------------------------|
| <b>Note 13:</b>   |                         |                         |
| <b>NON-CURRENT INVESTMENTS:</b>   |                         |                         |
| <b><u>Investment in Equity Instruments:</u></b>   |                         |                         |
| <b><u>Investment in Joint Venture:</u></b>  |                         |                         |
| <b><u>At Cost, Unquoted</u></b>   |                         |                         |
| 45,265 equity shares of ₹10/- each fully paid up in<br>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   | 12,45,653               | -                       |
| Expenses allowable for tax purposes when paid   | 194,70,939              | 1,52,05,751             |
| <b>Gross Deferred tax asset</b>   | <b>206,63,592</b>       | <b>1,52,05,751</b>      |
| <b>Deferred Tax Liabilities:</b>  |                         |                         |
| Timing difference on depreciation of assets   | -                       | 9,37,733                |
| <b>Gross Deferred tax liability</b>   | <b>-</b>                | <b>9,37,733</b>         |
| <b>Net Deferred tax asset/(liability)</b>   | <b>206,63,592</b>       | <b>1,42,68,018</b>      |
| <b>Note 15:</b>   |                         |                         |
| <b>LONG TERM LOANS &amp; ADVANCES</b>   |                         |                         |
| Security Deposits<br>(unsecured, considered good)   | 146,83,028              | 1,67,13,445             |
| <b>Total</b>  | <b>146,83,028</b>       | <b>1,67,13,445</b>      |
| <b>Note 16:</b>   |                         |                         |
| <b>OTHER NON-CURRENT ASSET</b>  |                         |                         |
| (Unsecured but considered good)   |                         |                         |
| TDS receivable  | 203,33,458              | 3,33,39,937             |
| Claims receivable   | 126,19,631              | 2,17,55,904             |
| <b>Total</b>  | <b>329,53,089</b>       | <b>5,50,95,841</b>      |

## Notes to financial statements for the year ended 31st March 2017

| Particulars   | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|---|-------------------------|-------------------------|
| <b>Note 17:</b>   |                         |                         |
| <b>INVENTORY</b>  |                         |                         |
| Stock of Provision & Stores (5)   | 94,60,926               | 1,14,49,312             |
| <b>Total</b>  | <b>94,60,926</b>        | <b>1,14,49,312</b>      |
| <i>(4) Stocks of provisions, stores and other consumables are valued at cost (average price) on FIFO basis.</i> |                         |                         |
| <b>Note 18:</b>   |                         |                         |
| <b>TRADE RECEIVABLES</b>  |                         |                         |
| <b>(Unsecured Considered good)</b>  |                         |                         |
| From Related Parties (5)  |                         |                         |
| - Outstanding for More than Six Months  | 103,99,924              | 22,50,443               |
| - Others  | 2826,63,893             | 20,09,28,976            |
| From Others   |                         |                         |
| - Outstanding for More than Six Months  | 48,08,726               | 1,35,80,848             |
| - Others  | 346,38,732              | 3,77,70,043             |
| <b>Total</b>  | <b>3325,11,275</b>      | <b>25,45,30,310</b>     |
| <b>Trade Receivables from Related Parties</b>   |                         |                         |
| <b>Include Debts Due from:</b>  |                         |                         |
| Private Ltd. Company in which Directors are Directors   | 90,78,328               | 31,98,345               |
| Private Ltd. Company in which Directors are Members   | 13,15,748               | 5,87,028                |
| <b>Note 19:</b>   |                         |                         |
| <b>CASH AND BANK BALANCES:</b>  |                         |                         |
| Cash and Cash Equivalents   |                         |                         |
| Cash on hand  | 8,75,849                | 31,95,883               |
| Balance with Bank in Current a/c  | 17,63,878               | 1,90,62,039             |
| Balance with Bank in Deposit a/c<br>(Including interest accrued)  | 133,53,581              | -                       |
| <b>Other Bank Balance</b>   |                         |                         |
| Balance with Bank in Dividend a/c   | 27,82,186               | 19,37,380               |
| Loan secured against Deposit  | -                       | -                       |
| Under lien to Bank towards bank guarantees.   | 20,75,596               | 19,35,296               |
| <b>Total</b>  | <b>208,51,090</b>       | <b>2,61,30,598</b>      |

**Notes to financial statements for the year ended 31st March 2017**

| Particulars  | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|--|-------------------------|-------------------------|
| <b>Note 20:</b>                                      |                         |                         |
| <b>SHORT TERM LOANS &amp; ADVANCES</b>               |                         |                         |
| <b>Other loans &amp; advances</b>                    |                         |                         |
| (Unsecured, considered good unless otherwise stated) |                         |                         |
| Advances recoverable in Cash or in kind              | 31,17,671               | 50,59,856               |
| Staff Advance  | 7,66,740                | 41,48,365               |
| Prepaid Expenses                                     | 3,59,219                | 34,35,012               |
| <b>Total</b>   | <b>42,43,630</b>        | <b>1,26,43,233</b>      |
| <b>Note 21:</b>                                      |                         |                         |
| <b>OTHER CURRENT ASSETS</b>                          |                         |                         |
| Unbilled Revenue                                     |                         | -                       |
| Claims receivable (Bonus)                            | 200,00,000              | 1,70,00,000             |
| <b>Total</b>   | <b>200,00,000</b>       | <b>1,70,00,000</b>      |
| <b>Note 22:</b>                                      |                         |                         |
| <b>REVENUE FROM OPERATIONS</b>                       |                         |                         |
| <b>Catering &amp; Management Service:</b>            |                         |                         |
| Sale of Food & Beverage                              | 7855,75,681             | 87,06,76,917            |
| Management Service Charges                           | 5320,18,349             | 42,72,89,658            |
| <b>Total(A)</b>                                      | <b>13175,94,030</b>     | <b>1,29,79,66,575</b>   |
| <b>Other Operating Revenue</b>                       |                         |                         |
| Room Revenue   | 85,58,418               | 2,02,91,265             |
| <b>Total(B)</b>                                      | <b>85,58,418</b>        | <b>2,02,91,265</b>      |
| <b>Grand Total C=(A+B)</b>                           | <b>13261,52,443</b>     | <b>1,31,82,57,840</b>   |
| <b>Note 23:</b>                                      |                         |                         |
| <b>OTHER INCOME</b>                                  |                         |                         |
| Interest on Deposits with Bank                       | 5,39,509                | 5,83,572                |
| Interest on Income Tax Refund                        | 5,54,387                | 13,57,957               |
| Dividend from Joint Venture                          | 15,84,283               | -                       |
| Profit on sale of asset                              | -                       | 43,103                  |
| Miscellaneous Income *                               | 18,90,211               | 9,10,063                |
| <b>OTHER INCOME FROM OPERATIONS</b>                  |                         |                         |
| Reimbursable expenses                                | -                       | 80,01,280               |
| <b>Total</b>   | <b>45,68,390</b>        | <b>1,08,95,975</b>      |

## Notes to financial statements for the year ended 31st March 2017

| Particulars                                   | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|---|-------------------------|-------------------------|
| <b>Note 24:</b>                               |                         |                         |
| <b>CONSUMPTION OF PROVISIONS &amp; STORES</b> |                         |                         |
| Opening Stock                                 | 114,49,312              | 1,06,74,705             |
| (+) Purchases                                 | 4074,54,054             | 48,88,00,944            |
| (-) Closing Stock                             | 94,60,926               | 1,14,49,312             |
| <b>Total</b>                                  | <b>4094,42,440</b>      | <b>48,80,26,337</b>     |
| <b>Note 25:</b>                               |                         |                         |
| <b>EMPLOYEE BENEFIT EXPENSES</b>              |                         |                         |
| Salaries & Wages                              | 5349,91,062             | 51,37,03,101            |
| Director's Remuneration                       | 12,00,000               | 12,00,000               |
| Bonus   | 298,64,419              | 1,56,96,080             |
| Contribution to PF and other funds            | 621,37,926              | 5,93,24,439             |
| Leave Encasements                             | 84,87,718               | 32,14,926               |
| Gratuity                                      | 213,07,707              | 2,54,71,453             |
| Other Allowances                              | 23,04,035               | 72,47,020               |
| Staff Welfare                                 | 131,02,878              | 1,08,32,352             |
| <b>Total</b>                                  | <b>6733,95,745</b>      | <b>63,66,89,371</b>     |
| <b>Note 26:</b>                               |                         |                         |
| <b>FINANCE COST</b>                           |                         |                         |
| Interest on Cash Credit with Bank             | 10,09,844               | 10,50,096               |
| Interest on WCDL with Bank                    | -                       | 26,14,953               |
| Interest on Bill discounting                  | 7,89,116                | 29,52,834               |
| Interest on Term Loan                         | 6,94,231                | 9,25,993                |
| Interest on Car Loan                          | 1,68,812                | 75,292                  |
| <b>Total</b>                                  | <b>26,62,003</b>        | <b>76,19,168</b>        |
| <b>Note 27:</b>                               |                         |                         |
| <b>OTHER EXPENSES</b>                         |                         |                         |
| Advertisement & Business Promotion            | 19,47,724               | 10,73,300               |
| Bank Charges                                  | 10,12,580               | 4,73,359                |
| Communication Expense                         | 22,61,594               | 32,92,247               |
| Professional & Consultancy fee                | 123,35,308              | 1,08,41,402             |
| Power & Fuel                                  | 337,76,212              | 4,63,10,460             |
| Guest House Expense                           | -                       | 1,53,669                |
| Hiring charges                                | 10,95,930               | 3,92,778                |
| House keeping Expenses                        | 141,50,638              | 2,09,64,670             |
| Interest on Delayed Remittance                | 23,69,315               | 33,51,293               |
| Kitchen Utensils                              | 26,83,977               | 56,10,288               |
| Miscellaneous Expenditure                     | 36,69,134               | 30,70,848               |
| Listing fees                                  | 2,38,920                | 1,14,992                |
| Loss on sale of asset                         | 1,97,051                | 6,86,735                |
| Office Expenses                               | 20,148                  | 5,15,880                |
| Printing and Stationary                       | 27,01,603               | 41,12,404               |
| Rates & Taxes                                 | 28,04,563               | 34,36,153               |
| Rent  | 262,58,189              | 2,69,25,023             |
| Remuneration to auditors                      |                         |                         |
| - Statutory Audit                             | 8,70,276                | 5,91,856                |
| - For Tax audit                               | 88,724                  | 88,724                  |

## Notes to financial statements for the year ended 31st March 2017

| Particulars                    | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|--------------------------------|-------------------------|-------------------------|
| Repairs & Maintenance - Others | 37,78,077               | 39,60,216               |
| Service Charges                | 55,43,811               | 55,53,007               |
| Security Charges               | 32,65,685               | 17,39,212               |
| Sitting Fee                    | 6,80,000                | 6,82,000                |
| Sitting Fee - Service Tax      | 29,000                  | 95,311                  |
| Travelling & Conveyance        | 118,72,857              | 1,36,18,753             |
| Transport Charges              | 26,53,415               | 31,70,312               |
| Training Expenses              | 21,200                  | -                       |
| VAT expenses                   | 97,40,455               | 1,37,42,657             |
| <b>Total</b>                   | <b>1460,31,386</b>      | <b>17,45,67,548</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<br>Mr. P.VijayaKumar Reddy<br>Mrs. Suneeta Reddy<br>Mrs. Shobana Kamineni<br>Mrs. Sucharitha Reddy<br>Mrs. Sindoori Reddy  |
| Key Management Personnel  | Mrs. Sucharitha Reddy<br>Mrs. Sindoori Reddy  |
| 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<br>M/s Apollo Gleneagles Hospitals Ltd<br>M/s.Apollo Health & Lifestyle Ltd<br>M/s.Apollo Hospital International Limited<br>M/s Imperial Cancer Hospital & Research Center Ltd<br>M/s Lifetime Wellness Rx International Ltd<br>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 |                |
|---------------------------|--------------------------|-----------|---------------|-------------|--|----------------|
|                           | 2016-2017                | 2015-2016 | 2016-2017     | 2015-2016   | 2016-2017                                | 2015-2016      |
| Salary                    | 12,00,000                | 12,00,000 | -             | -           | -  | -              |
| Sale of goods & services  | -                        | -         | 133,26,470    | 1,41,31,331 | 12499,30,866                             | 1,25,70,98,549 |
| Purchase of goods         | -                        | -         | -             | -           | -  | 4,77,184       |
| Balance Outstanding       | -                        | -         | 90,78,328     | 31,98,345   | 2839,85,489                              | 19,99,81,074   |

**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-17 (₹) | 31-Mar-16 (₹) |
|--------------------------------------|---------------|---------------|
| Not Later than 1 Year                | 69,80,704     | 63,32,394     |
| Later than 1 Year but before 5 Years | 60,07,866     | 69,80,704     |
| Total                                | 129,88,570    | 1,33,13,098   |

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

| Particulars                     | 31-Mar-17 (₹) | 31-Mar-16 (₹) |
|---------------------------------|---------------|---------------|
| Expenditure in Foreign currency | 4,33,392      | 7,78,104      |
| 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-17 (₹)   | 31-Mar-16 (₹) |
|--------------------------------|---|---------------|
| Assumptions                    | ₹   | ₹             |
| Discount Rate                  | 7.5% p.a  | 7.8% 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-17 (₹) | 31-Mar-16 (₹) |
|--|---------------|---------------|
| Present Value Of obligation at the beginning of the period | 42,806,028    | 3,40,53,067   |
| Interest Cost  | 3,336,498     | 27,30,058     |
| Current Service Cost                                       | 9,409,124     | 44,42,428     |
| Past Service Cost  | -             | -             |
| Benefits Paid  | (5,818,313)   | (40,19,945)   |
| Actuarial (gain)/loss on Obligation                        | 14,711,322    | 56,00,420     |
| Present Value Of obligation at the end of the period       | 64,444,659    | 428,06,028    |
| Fair value of plan assets at the beginning of the period   | 14,600,903    | 1,35,82,236   |
| Expected Return On plan assets                             | 1,167,242     | 10,88,897     |
| Contributions  | 11,000,000    | -             |
| Benefits Paid  | -             | -             |
| Actuarial gain (Loss) Plan assets                          | -             | (70,230)      |
| Fair value of plan assets at the end of the period         | 26,768,145    | 1,46,00,903   |
| Total actuarial gain (loss) to be recognized               | (14,711,322)  | (56,70,650)   |
| <b>Balance Sheet Recognition</b>                           |               |               |
| Present Value of Obligation                                | 64,444,659    | 4,28,06,028   |
| Fair Value of Plan Assets                                  | (26,768,145)  | (1,46,00,903) |
| Liability (Assets)   | 37,676,514    | 2,82,05,125   |
| Unrecognised Past Service Cost                             | -             | -             |
| <b>Liability (Assets) recognised in the Balance Sheet</b>  | 37,676,514    | 2,82,05,125   |

## Profit & Loss – Expenses

|  |              |             |
|--|--------------|-------------|
| Current Service Cost   | 9,409,124    | 44,42,428   |
| Interest Cost  | 3,336,498    | 27,30,058   |
| Expected Return On plan assets                                       | (1,167,242)  | (10,88,897) |
| Net Actuarial (gain)/loss recognised in the year                     | 14,711,322   | 56,70,650   |
| Past Service Cost  | -            | -           |
| <b>Expenses Recognised in the statement of Profit &amp; Loss</b>     | 26,289,702   | 1,17,54,239 |
| <b>Actual Return On Plan Assets</b>                                  |              |             |
| Expected Return on plan assets                                       | 1,167,242    | 10,88,897   |
| Actuarial gain/(Loss) on plan assets                                 | -            | (70,230)    |
| Actual Return On Plan Assets   | 1,167,242    | 10,18,667   |
| <b>Movement in the net Liability recognised in the Balance Sheet</b> |              |             |
| Opening net Liability  | 28,205,125   | 2,04,70,831 |
| Expenses   | 26,289,702   | 1,17,54,239 |
| Contribution   | (16,818,313) | (40,19,945) |
| Closing Net Liability  | 37,676,514   | 28,205,125  |

## b) Leave Encashment

| Period Covered                 | As at March 31, 2017  | As at March 31, 2016 |
|--------------------------------|---|----------------------|
| Assumptions                    | Rs.   | Rs.                  |
| Discount Rate                  | 7.8% p.a.   | 7.5% p.a.            |
| Expected Return On Plan Assets | -   | -                    |
| Mortality                      | Indian Assured Lives Mortality<br>(as % of IALM 2006-08 - 100%) |                      |
| Future Salary Increases        | 5% p.a.   | 5% p.a.              |
| Disability                     | Nil   | Nil                  |
| Withdrawal rate                | 2% p.a.   | 2% p.a.              |

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

|  | As at March 31, 2017 | As at March 31, 2016 |
|--|----------------------|----------------------|
| Present Value Of obligation at the beginning of the period | 13,717,705           | 12,202,771           |
| Interest Cost  | 1,069,220            | 978,305              |
| Current Service Cost                                       | 4,075,606            | 1,789,432            |
| Past Service Cost  | 0                    | 0                    |
| Benefits Paid  | -218,622             | -1,020,092           |
| Actuarial (gain)/loss on Obligation                        | -855,468             | -232,711             |
| Present Value Of obligation at the end of the period       | 17,788,441           | 13,717,705           |
| Fair value of plan assets at the beginning of the period   | -                    | -                    |
| Expected Return On plan assets                             | -                    | -                    |
| Contributions  | -                    | -                    |
| Benefits Paid  | -                    | -                    |
| Actuarial gain (Loss) Plan assets                          | -                    | -                    |
| Fair value of plan assets at the end of the period         | -                    | -                    |
| Total actuarial gain (loss) to be recognized               | 855,468              | 232,711              |
| <b>Balance Sheet Recognition</b>                           |                      |                      |
| Present Value Of Obligation                                | 17,788,441           | 13,717,705           |
| Fair Value Of Plan Assets                                  | -                    | -                    |
| Liability (assets)   | 17,788,441           | 13,717,705           |
| Unrecognised Past Service Cost                             | -                    | -                    |
| Liability (asset) recognised in the Balance Sheet          | 17,788,441           | 13,717,705           |

## Profit & Loss – Expenses

|  | As at March 31, 2017 | As at March 31, 2016 |
|--|----------------------|----------------------|
| Current Service Cost   | 4,075,606            | 1,789,432            |
| Interest Cost  | 1,069,220            | 978,305              |
| Expected Return On plan assets                                       | -                    | -                    |
| Net Actuarial (gain)/loss recognised in the year                     | (855,468)            | (232,711)            |
| Past Service Cost  | -                    | -                    |
| Expenses Recognised in the statement of Profit & Loss                | 4,289,358            | 2,535,026            |
| <b>Actual Return On Plan Assets</b>                                  | -                    | -                    |
| Expected Return on plan assets                                       | -                    | -                    |
| Actuarial gain/(Loss) on plan assets                                 | -                    | -                    |
| Actual Return On Plan Assets   | -                    | -                    |
| <b>Movement in the net Liability recognised in the Balance Sheet</b> |                      |                      |
| Opening net Liability  | 13,717,705           | 12,202,771           |
| Expenses   | 4,289,358            | 2,535,026            |
| Contribution   | (218,622)            | (1,020,092)          |
| Closing Net Liability  | 17,788,441           | 13,717,705           |

Gratuity Liability 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 Rs.32,25,135/- as at 31st March 2017 (Previous Year Rs.1,21,62,142/- as at 31st March 2016) is reflected as claims receivable and the corresponding liability as provision for gratuity as no income accrues to the Company on this account as it considered as a pass through transaction. The liability on account of Leave encashment for the above employees reflected as claims receivable is Rs.93,94,496/- as at 31st March 2017 (Previous Year Rs.93,94,496/- as at 31st March 2016)

## Note 32: EARNINGS PER SHARE

| Particulars                                   | 31-Mar-17 (₹) | 31-Mar-16 (₹) |
|---|---------------|---------------|
| Net Profit as P&L                             | 60,172,694    | (2,42,20,347) |
| Weighted average no. of shares o/s            | 1,300,200     | 13,00,200     |
| Nominal Value Per Share                       | 10            | 10            |
| Earnings per share before extra-ordinary item |               |               |
| - Basic & Diluted EPS                         | 46.28         | 18.31         |
| Earnings per share after extra-ordinary item  |               |               |
| - Basic & Diluted EPS                         | 46.28         | (18.63)       |

## Note 33: Segmental Reporting

### Statement Showing Segment results for the financial year 2016-2017

(Amount in ₹)

| Particulars   | Year             | Outsourced Services | Other Operations | Total               |
|---|------------------|---------------------|------------------|---------------------|
| Segment Revenues  | 2016-2017        | 1,320,339,039       | 10,381,794       | 1,330,720,834       |
|   | 2015-2016        | 1,306,269,893       | 22,883,922       | 1,329,153,815       |
| Expenses  | 2016-2017        | 1,218,390,625       | 10,478,946       | 1,228,869,571       |
|   | 2015-2016        | 1,284,325,931       | 14,957,325       | 1,299,283,257       |
| Segment Results   | 2016-2017        | 90,198,014          | (97,152)         | 90,100,862          |
|   | 2015-2016        | 6,490,402           | 7,926,596        | 14,416,999          |
| Income before depreciation interest taxes and extraordinary items | 2016-2017        | 101,948,415         | (97,152)         | 101,851,263         |
|   | 2015-2016        | 21,943,962          | 7,926,596        | 29,870,558          |
| Interest  | 2016-2017        | 2,662,003           | -                | 2,662,003           |
|   | 2015-2016        | 7,619,168           | -                | 7,619,168           |
| Depreciation  | 2016-2017        | 9,088,398           | -                | 9,088,398           |
|   | 2015-2016        | 7,834,392           | -                | 7,834,392           |
| Exordinary Items  | 2016-2017        | -                   | -                | -                   |
|   | 2015-2016        | 48,021,864          | -                | 48,021,864          |
| Tax Expenses  | 2016-2017        | 29,928,167          | -                | 29,928,167          |
|   | 2015-2016        | (9,384,518)         | -                | (9,384,518)         |
| <b>Profit/(Loss) after Taxation</b>                               | <b>2016-2017</b> | <b>60,269,847</b>   | <b>(97,152)</b>  | <b>60,172,695</b>   |
|   | <b>2015-2016</b> | <b>15,874,920</b>   | <b>7,926,596</b> | <b>(24,220,347)</b> |
| Segment Assets  | 2016-2017        | 472,398,559         | 2,848,135        | 475,246,694         |
|   | 2015-2016        | 407,265,588         | 6,581,901        | 413,847,489         |
| Segment Assets (Unallocated)                                      | 2016-2017        | -                   | -                | 20,333,458          |
|   | 2015-2016        | -                   | -                | 33,339,937          |
| <b>Total Assets</b>   | <b>2016-2017</b> | <b>472,398,559</b>  | <b>2,848,135</b> | <b>495,580,152</b>  |
|   | <b>2015-2016</b> | <b>407,265,588</b>  | <b>6,581,901</b> | <b>447,187,426</b>  |
| Segment Liabilities   | 2016-2017        | 362,566,658         | 1,370,740        | 363,937,398         |
|   | 2015-2016        | 290,895,073         | 429,251          | 291,324,324         |
| Unallocated Liabilities   | 2016-2017        | -                   | -                | -                   |
|   | 2015-2016        | -                   | -                | -                   |
| Shareholders Funds  | 2016-2017        | -                   | -                | 131,642,754         |
|   | 2015-2016        | -                   | -                | 155,863,102         |
| <b>Total Liabilities</b>  | <b>2016-2017</b> | <b>362,566,658</b>  | <b>1,370,740</b> | <b>495,580,152</b>  |
|   | <b>2015-2016</b> | <b>290,895,073</b>  | <b>429,251</b>   | <b>447,187,426</b>  |
| Capital Expenditure Incurred                                      | 2016-2017        | 10,616,587          | -                | 10,616,587          |
|   | 2015-2016        | 31,584,753          | -                | 31,584,753          |
| Segment Depreciation  | 2016-2017        | 9,088,398           | -                | 9,088,398           |
|   | 2015-2016        | 7,834,392           | -                | 7,834,392           |
| Non cash expenses other than depreciation                         | 2016-2017        | 1,218,390,625       | 10,478,946       | 1,228,869,571       |
|   | 2015-2016        | 1,284,325,931       | 14,957,325       | 1,299,283,257       |

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

| <b>Particulars</b>  | <b>31-Mar-17 (₹)</b> | <b>31-Mar-16 (₹)</b> |
|---|----------------------|----------------------|
| 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>-</b>             | <b>4,80,21,861</b>   |

**Note 35:**

**Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as provided in the Table below:**

| Particulars                                  | Other denomination |                  | Total            |
|--|--------------------|------------------|------------------|
|  | SBNs               | Notes            |                  |
| Closing cash in hand as on 08.11.2016        | 2,018,000          | 4,017,250        | 6,035,250        |
| (+) Permitted receipts                       | 1,162,000          | 16,900,859       | 18,062,859       |
| (-) Permitted payments                       | -                  | -                | -                |
| (-) Amount deposited in Banks                | 3,180,000          | 15,651,458       | 18,831,458       |
| <b>Closing cash in hand as on 30.12.2016</b> | <b>-</b>           | <b>5,266,651</b> | <b>5,266,651</b> |

**Note 36: Contingent liability**

Claim against the company/distuted liabilities not acknowledged as debts- Rs.13,92,680 (Previous year 13,92,680)

**Note 37:**

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 38:**

Figures for the previous year have been regrouped or rearranged wherever necessary.  
Figures has been rounded of to the nearest rupees.

As per our Report of Even Date

**R. Subramanian and Company**  
Chartered Accountants

**R.Rajaram**  
Partner

Place: Chennai  
Date: 11.05.2017

**For Apollo Sindoori Hotels Ltd.,**

**Sucharitha Reddy**  
Managing Director

**Suresh R Madhok**  
Director

**G Venkatraman**  
Director

**C Natarajan**  
Chief Executive Officer

**Shuganya K**  
Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2017**

|          | <b>Particulars</b>  | <b>31-Mar-17</b><br>₹ | <b>31-Mar-16</b><br>₹ |
|----------|---|-----------------------|-----------------------|
| <b>A</b> | <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                          |                       |                       |
|          | <b>Net Profit Before Taxation and Extraordinary Items</b>           | <b>90,100,861</b>     | <b>14,416,999</b>     |
|          | <b>Adjustments for</b>  |                       |                       |
|          | Depreciation  | 9,088,398             | 7,834,392             |
|          | Dividend income   | (1,584,283)           | (1,357,957)           |
|          | Interest income (on deposits)                                       | (539,509)             | (583,572)             |
|          | Interest expense  | 2,663,003             | 7,619,168             |
|          | Fixed Assets Written Off  | -                     | 4,072,013             |
|          | Impairment of Current Assets  | -                     | 5,150,684             |
|          | (Profit)/loss on sale of assets                                     | 197,051               | 6,43,632              |
|          | <b>Operating Profit before working capital changes</b>              | <b>99,924,521</b>     | <b>37,795,359</b>     |
|          | (Increase)/Decrease in Trade Receivables                            | (77,980,965)          | (14,985,930)          |
|          | (Increase)/Decrease in Inventory                                    | 1,988,386             | 1,840,233             |
|          | Increase/(Decrease) in Trade Payables                               | (7,716,623)           | 40,443,721            |
|          | Increase/(Decrease) in Other current liabilities                    | (39,007,705)          | 24,737,644            |
|          | (Increase)/Decrease in Short Term Loans & advances                  | 8,399,602             | (1,149,098)           |
|          | (Increase)/Decrease in Other Current asset                          | (3,000,000)           | (9,998,900)           |
|          | Increase/(Decrease) in Employee benefit provisions                  | 90,95,393             | 19,278,608            |
|          | Increase / (Decrease) in Cash Credit with HDFC                      | 30,185,464            | (412,853)             |
|          | <b>Cash generated from operations after working capital changes</b> | <b>21,888,075</b>     | <b>97,648,784</b>     |
|          | Direct taxes paid   | (10,000,000)          | -                     |
|          | <b>Cash generated from operations before Extra-ordinary items</b>   | <b>11,888,075</b>     | <b>97,648,784</b>     |
|          | Extra-ordinary Item   | -                     | (48,021,864)          |
|          | <b>Net Cash Flow from Operating activities (A)</b>                  | <b>11,888,075</b>     | <b>49,626,920</b>     |
|          | <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                          |                       |                       |
|          | (Increase)/Decrease in Other Non-current asset                      | 5,069,789             | (19,075,160)          |
|          | Purchase of Fixed Assets  | (10,616,587)          | (31,584,753)          |
|          | Sale of Fixed Assets  | 474,285               | 1,241,857             |
|          | Gratuity Funded   | (11,000,000)          | -                     |
|          | Dividend received   | 1,584,283             | 1,357,957             |
|          | Increase / (Decrease) in Deposit                                    | (985,106)             | 14,239,829            |
|          | Interest received on deposits                                       | 5,39,509              | 583,572               |
|          | <b>Net Cash flow from Investing activities (B)</b>                  | <b>(14,933,827)</b>   | <b>(33,218,698)</b>   |
|          | <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                          |                       |                       |
|          | (Increase)/Decrease in Long term Loans & advances                   | 2,030,417             | (1,712,507)           |
|          | Increase/(Decrease) in Long term liabilities                        | (2,741,260)           | 21,221,522            |
|          | (Repayment of) Loan against deposit                                 | -                     | (15,000,000)          |
|          | Term Loan Received from Bank  | 5,600,000             | 10,000,000            |
|          | Repayment of Principal amount of Bank Loan (TL and Car loan)        | (38,81,127)           | (6,270,397)           |
|          | Payment of Interest Bank Loan                                       | (2,662,003)           | (7,619,168)           |
|          | Dividend Paid   | (1,300,200)           | (3,900,600)           |
|          | Tax on Dividend paid  | (264,690)             | (866,045)             |
|          | <b>Net Cash flow from Financing activities (C)</b>                  | <b>(3,218,862)</b>    | <b>(4,147,195)</b>    |
|          | Net Increase / Decrease in cash and cash equivalents                | (6,264,614)           | 12,261,027            |
|          | Cash and Cash Equivalent at the beginning of the period             | 22,257,922            | 9,996,895             |
|          | Cash and Cash Equivalent at the end of the period                   | 15,993,308            | 22,257,922            |

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

**R.Rajaram**  
Partner

Place: Chennai  
Date: 11.05.2017

**For Apollo Sindoori Hotels Ltd.,**

**Sucharitha Reddy**  
Managing Director

**Suresh R Madhok**  
Director

**G Venkatraman**  
Director

**C Natarajan**  
Chief Executive Officer

**Shuganya K**  
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, 2017, 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"), which we have signed under reference to this report.

### **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 2017, 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 Faber Sindoori Management Services Private Limited whose financial statements reflect total assets of Rs.59,20,60,863/- as at 31st March, 2017, total revenues of Rs.1,27,82,15,139/- and net increase in cash flows amounting to Rs.9,84,89,867/- 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.
- (c) 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, 2017, taken on record by the Board of Directors of the Holding Company, none of the directors are disqualified as on 31 March, 2017, 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.
- iv) The company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and the same were in accordance with the books of accounts maintained by the company.

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

Place: Chennai  
Date 11<sup>th</sup> May 2017

**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 2017 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 2017, 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 11<sup>th</sup> May 2017

## Consolidated Balance Sheet as at 31st March, 2017

| PARTICULARS                          | NOTE | 31.03.2017         | 31.03.2016          |
|--------------------------------------|------|--------------------|---------------------|
| <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    | 354,308,312        | 24,43,96,466        |
| <b>(2) Non-Current Liabilities</b>   |      |                    |                     |
| (a) Long-term borrowings             | 5    | 41,36,319          | 41,66,667           |
| (b) Other Long term Liability        | 6    | 327,170            | 327,170             |
| (c) Long term provisions             | 7    | 67,514,388         | 6,05,59,512         |
| <b>(3) Current Liabilities</b>       |      |                    |                     |
| (a) Short-term borrowings            | 8    | 56,724,511         | 2,65,39,047         |
| (b) Trade Payables                   | 9    | 117,273,566        | 11,33,87,130        |
| (c) Other current liabilities        | 10   | 117,472,037        | 13,97,91,207        |
| (d) Short-term provisions            | 11   | 54,480,491         | 2,84,78,608         |
| <b>Total</b>                         |      | <b>785,238,794</b> | <b>63,06,47,806</b> |
| <b>II. Assets</b>                    |      |                    |                     |
| <b>(1) Non-current assets</b>        |      |                    |                     |
| (a) Fixed assets                     | 12   |                    |                     |
| (i) Tangible assets                  |      | 54,501,902         | 5,16,26,924         |
| (ii) Intangible assets               |      | 7,950,536          | 1,21,20,486         |
| (iii) Capital Work in progress       |      | -                  | -                   |
| (b) Non-current investments          |      | -                  | -                   |
| (c) Deferred tax assets (net) (ASHL) | 13   | 25,695,081         | 1,52,28,074         |
| (d) Long term loans and advances     | 14   | 20,604,548         | 2,29,72,673         |
| (e) Other Non-Current Asset          | 15   | 32,953,089         | 5,50,95,841         |
| <b>(2) Current assets</b>            |      |                    |                     |
| (a) Inventory                        | 16   | 13,582,345         | 1,37,03,703         |
| (b) Trade Receivables                | 17   | 482,851,480        | 36,51,13,326        |
| (c) Cash and Bank Balances           | 18   | 110,648,688        | 5,59,32,525         |
| (d) Short-term loans and advances    | 19   | 15,048,492         | 1,55,16,616         |
| (e) Other current assets             | 20   | 21,402,633         | 2,33,37,638         |
| <b>Total</b>                         |      | <b>785,238,794</b> | <b>63,06,47,806</b> |

### Significant Accounting Policies and Notes on Accounts 1 to 40

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

Suresh R Madhok  
Director

**R.Rajaram**  
Partner

**G Venkatraman**  
Director

Place: Chennai  
Date: 11.05.2017

**C Natarajan**  
Chief Executive Officer

**Shuganya K**  
Company Secretary

**Consolidated Statement of Profit and Loss for the year ended 31st March 2017**

| S.No  | Particulars   | Note       | 31.03.2017           | 31.03.2016            |
|-------|---|------------|----------------------|-----------------------|
| III.  | <b>INCOME:</b>  |            | ₹                    | ₹                     |
|       | Revenue from operations   | 21         | 1,950,739,246        | 1,85,94,24,343        |
|       | Other Income  | 22         | 6,479,994            | 1,21,59,885           |
|       | <b>Total Income</b>   |            | <b>1,957,219,240</b> | <b>18,71,58,42,28</b> |
| IV.   | <b>EXPENDITURE:</b>   |            |                      |                       |
|       | Consumption of Provisions & Stores                                  | 23         | 452,842,413          | 54,20,00,665          |
|       | Employee benefit expense  | 24         | 1,091,857,132        | 99,42,76,242          |
|       | Finance Cost  | 25         | 2,662,003            | 78,17,924             |
|       | Depreciation and amortization expense                               |            | 15,975,589           | 1,45,12,172           |
|       | Other expenses  | 26         | 220,877,514          | 24,49,96,016          |
|       | <b>Total Expenses</b>   |            | <b>1,784,214,651</b> | <b>1,80,36,03,019</b> |
| V.    | Profit before exceptional and extraordinary items and tax           | (III - IV) | 173,004,589          | 6,79,81,209           |
| VI.   | Exceptional Items   |            | -                    | -                     |
| VII.  | Profit before extraordinary items and tax                           | (V - VI)   | 173,004,589          | 6,79,81,209           |
| VIII. | Less: Extraordinary Items   |            | -                    | 4,80,21,864           |
| IX.   | Profit before tax (VII - VIII)                                      |            | <b>173,004,589</b>   | <b>1,99,59,344</b>    |
| X.    | Tax expense:  |            |                      |                       |
|       | (1) (a) Current tax   |            | 70,671,118           | 2,11,53,300           |
|       | (b) Previous year tax   |            | 1,323,741            | -                     |
|       | (2) Deferred tax  |            | (10,467,007)         | (1,08,81,273)         |
| XI.   | Net Profit/(Loss) for the period                                    | (IX-X)     | <b>111,476,737</b>   | <b>96,87,317</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 |            | 85.74                | 44.38                 |
|       | Earnings per share after extra-ordinary item Basic & Diluted EPS    |            | 85.74                | 7.45                  |

**Significant Accounting Policies and Notes on Accounts 1 to 40**

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

**Suresh R Madhok**  
Director

**R.Rajaram**  
Partner

**G Venkatraman**  
Director

Place: Chennai  
Date: 11.05.2017

**C Natarajan**  
Chief Executive Officer

**Shuganya K**  
Company Secretary

## **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**

Property, Plant and equipment 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 and 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 period ended 31st March 2017

|  | As at March 31, 2017 |                    | As at March 31, 2016 |                    |
|--|----------------------|--------------------|----------------------|--------------------|
| <b>Shareholder's fund</b>  |                      |                    |                      |                    |
| <b>Note 3:</b>   |                      |                    |                      |                    |
| <b>SHARE CAPITAL</b>   |                      |                    |                      |                    |
| Authorised Capital<br>50,00,000 Equity shares of ₹10/- each                              |                      | 5,00,00,000        |                      | 5,00,00,000        |
| Issued, Subscribed & Paid up Capital<br>13,00,200 Equity shares of ₹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 ₹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<br>(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  | 182,63,518           |                    | 148,72,752           |                    |
| (+) Current Year Transfer  | -                    |                    | 33,90,766            |                    |
| (-) Written Back in Current Year   | -                    |                    | -                    |                    |
| Closing Balance  | 182,63,518           |                    | 182,63,518           |                    |
| <b>d. Surplus</b>  |                      |                    |                      |                    |
| P&L - Opening balance  | 1773,12,006          |                    | 172,922,261          |                    |
| (+) Net Profit / (Loss) for the year   | 1114,76,737          |                    | 96,87,317            |                    |
| (+) Transfer from Reserves   | -                    |                    | -                    |                    |
| (-) Dividend paid  | -                    |                    | 15,84,283            |                    |
| (-) Depreciation adjusted with reserve   | -                    |                    | -                    |                    |
| (-) Transfer to General Reserve  | -                    |                    | 33,90,766            |                    |
| (-) Interim Dividend - Equity 10%  | 1,300,200            |                    | -                    |                    |
| (-) Tax on Interim Dividend paid   | 264,690              |                    | -                    |                    |
| (-) Proposed Dividend  | -                    |                    | -                    |                    |
| (-) Tax on Proposed Dividend   | -                    |                    | -                    |                    |
| Closing balance  |                      | 287,223,853        | 3,22,523             | 177,312,006        |
| <b>Total</b>   |                      | <b>354,308,312</b> |                      | <b>244,396,465</b> |

## Notes to financial statements for the period ended 31st March 2017

|  | As at March 31, 2017 | As at March 31, 2016 |
|--|----------------------|----------------------|
| <b>Note 5:</b>   |                      |                      |
| <b>LONG TERM BORROWINGS</b>                                      |                      |                      |
| <b>Secured:</b>  |                      |                      |
| Vehicle Loan from Bank (1)                                       | 33,02,986            | -                    |
| Term Loan (2)  | 8,33,333             | 41,66,667            |
| Loan against Deposit<br>15,000,000<br>(Secured by Fixed Deposit) |                      | -                    |
| <b>Total</b>   | <b>41,36,319</b>     | <b>41,66,667</b>     |
| <b>Current maturities of Long Term borrowings</b>                | 50,82,554            | 33,33,333            |

- The vehicle loan carries interest at the rate of 9.5% pa and has to be repaid in 36 equal installments from november 2013. Loan is secured against hypothecation of vehicle
- 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, 2017 | As at March 31, 2016 |
|--|----------------------|----------------------|
| <b>Note 6:</b>                             |                      |                      |
| <b>OTHER LONG TERM LIABILITIES:</b>        |                      |                      |
| Security Deposit                           | 3,27,170             | 3,27,170             |
| <b>Total</b>                               | <b>3,27,170</b>      | <b>3,27,170</b>      |
| <b>Note 7:</b>                             |                      |                      |
| <b>LONG TERM PROVISIONS:</b>               |                      |                      |
| Provision for Employee Benefits:           | -                    | -                    |
| Provision for Leave Encashment             | 193,15,321           | 162,15,229           |
| Provision for Gratuity                     | 481,99,067           | 443,44,283           |
| <b>Total</b>                               | <b>675,14,388</b>    | <b>605,59,512</b>    |
| <b>Note 8:</b>                             |                      |                      |
| <b>SHORT TERM BORROWINGS:</b>              |                      |                      |
| <b>Loan Repayable on Demand: (Secured)</b> |                      |                      |
| Cash Credit with Bank (3)                  | 567,24,511           | 265,39,047           |
| <b>Total</b>                               | <b>567,24,511</b>    | <b>265,39,047</b>    |

(3) The Cash credit facility is secured by exclusive charge over Inventory, Trade Receivables and all the fixed assets of the company.

## Notes to financial statements for the period ended 31st March 2017

|  | As at March 31, 2017 | As at March 31, 2016 |
|--|----------------------|----------------------|
| <b>Note 9:</b>   |                      |                      |
| <b>TRADE PAYABLES:</b>                                 |                      |                      |
| Creditors for Operations                               | 1172,73,566          | 1133,87,130          |
| <b>Total</b>   | <b>1172,73,566</b>   | <b>1133,87,130</b>   |
| <b>Note 10:</b>  |                      |                      |
| <b>OTHER CURRENT LIABILITIES</b>                       |                      |                      |
| Bank balance (Current Account)                         |                      | -                    |
| Current maturities on Term/vehicle loan (refer note 5) | 50,82,554            | 33,33,333            |
| Creditors for Expenses                                 | 251,02,298           | 291,99,562           |
| Statutory Dues   | 400,43,054           | 3,73,76,168          |
| Employee Dues  | 352,29,477           | 5,89,98,666          |
| Unpaid Dividend  | 27,81,986            | 19,37,015            |
| Advance Receipts                                       | 4,499                | 1,12,259             |
| Other liabilities                                      | 92,28,169            | 69,27,398            |
| Proposed Dividend                                      | -                    | 15,84,283            |
| Provision for dividend distribution tax                | -                    | 3,22,523             |
| <b>Total</b>   | <b>1174,72,037</b>   | <b>1397,91,207</b>   |
| <b>Note 11:</b>  |                      |                      |
| <b>SHORT TERM PROVISIONS:</b>                          |                      |                      |
| Provision for Employee Benefits:                       |                      |                      |
| Provision for Bonus                                    | 501,69,401           | 2,58,50,000          |
| Provision for gratuity                                 | 36,38,629            | 20,68,175            |
| Provision for leave encashment                         | 6,72,461             | 5,60,433             |
| <b>Total</b>   | <b>544,80,491</b>    | <b>2,84,78,608</b>   |
| <b>Note 13:</b>  |                      |                      |
| <b>DEFERRED TAX ASSETS</b>                             |                      |                      |
| <b>Deferred Tax Assets:</b>                            |                      |                      |
| Timing difference on depreciation of assets            | 12,45,653            |                      |
| Expenses allowable for tax purposes when paid          | 244,49,428           | 198,74,806           |
| <b>Gross Deferred tax asset</b>                        | <b>256,95,081</b>    | <b>198,74,806</b>    |
| <b>Deferred Tax Liabilities:</b>                       |                      |                      |
| Timing difference on depreciation of assets-           | -                    | 46,46,732            |
| <b>Gross Deferred tax liability</b>                    | <b>-</b>             | <b>46,46,732</b>     |
| <b>Net Deferred tax asset/(liability)</b>              | <b>256,95,081</b>    | <b>152,28,074</b>    |

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

Amount in Rupees

| PARTICULARS  | ORIGINAL COST         |                           |                           | DEPRECIATION          |                    |                    |                                    | NET BOOK VALUE  |                   |                   |
|--|-----------------------|---------------------------|---------------------------|-----------------------|--------------------|--------------------|------------------------------------|-----------------|-------------------|-------------------|
|  | Cost as at 01.04.2016 | Additions during the Year | Deletions during the Year | Cost as at 31.03.2017 | As at 01.04.2016   | For the Year       | Depreciation adjusted with reserve | Deletions       | As at 31.03.2017  | As at 31.03.2016  |
| Temporary Constructions                            | 827,997               | -                         | -                         | 827,997               | 827,997            | -                  | -                                  | -               | 827,997           | -                 |
| Computers  | 142,98,552            | 25,25,138                 | -                         | 168,23,690            | 99,61,598          | 24,33,055          | -                                  | -               | 123,94,653        | 44,29,037         |
| Electrical Installations                           | 70,67,858             | 134,139                   | -                         | 72,01,997             | 25,08,994          | 4,99,514           | -                                  | -               | 30,08,508         | 41,93,489         |
| Furniture & Fittings                               | 174,42,413            | 15,33,336                 | 36,979                    | 189,38,770            | 54,33,236          | 14,39,537          | -                                  | 25,243          | 68,47,530         | 120,91,240        |
| Kitchen Equipments                                 | 273,39,017            | 58,350                    | -                         | 273,97,367            | 127,02,252         | 43,02,244          | -                                  | -               | 170,04,496        | 103,92,871        |
| Vehicles   | 48,22,631             | 77,16,000                 | 11,26,870                 | 114,11,761            | 12,46,788          | 8,02,606           | -                                  | 455,533         | 15,93,861         | 98,17,900         |
| Office Equipments                                  | 55,47,240             | 19,82,096                 | 130,918                   | 73,98,418             | 31,32,129          | 795,798            | -                                  | 72,384          | 38,55,543         | 35,42,875         |
| Plant & Machinery                                  | 192,40,131            | 15,20,614                 | 47,450                    | 2,07,13,295           | 91,45,920          | 15,32,855          | -                                  | -               | 106,78,805        | 100,34,490        |
| <b>Sub Total</b>                                   | <b>965,85,839</b>     | <b>154,69,673</b>         | <b>13,42,217</b>          | <b>11,07,13,295</b>   | <b>449,58,914</b>  | <b>1,18,05,639</b> | -                                  | <b>5,53,160</b> | <b>562,11,393</b> | <b>545,01,902</b> |
| <b>Intangible Assets</b><br>Licenses and Franchise | 416,99,000            | -                         | -                         | 416,99,000            | 2,95,78,514        | 41,69,949          | -                                  | -               | 337,48,464        | 79,50,536         |
| <b>Sub Total</b>                                   | <b>416,99,000</b>     | -                         | -                         | <b>416,99,000</b>     | <b>2,95,78,514</b> | <b>41,69,949</b>   | -                                  | -               | <b>337,48,464</b> | <b>79,50,536</b>  |
| <b>TOTAL</b>                                       | <b>13,82,84,839</b>   | <b>154,69,673</b>         | <b>13,42,217</b>          | <b>15,24,12,295</b>   | <b>7,45,37,428</b> | <b>1,59,75,589</b> | -                                  | <b>5,53,160</b> | <b>899,59,857</b> | <b>624,52,438</b> |
| <b>Previous Year</b>                               | <b>11,16,92,657</b>   | <b>336,76,261</b>         | <b>12,06,413</b>          | <b>4,23,56,854</b>    | <b>6,08,05,213</b> | <b>1,85,84,189</b> | *                                  | <b>7,79,958</b> | <b>786,09,444</b> | <b>637,47,410</b> |

**Notes:**

\*- Depreciation includes 100% Depreciation on Electrical Installation of Rs.5,58,848/- of Suruchi Restaurant Asset in the year 2015-16 and 100% Depreciation on Furniture & Fixtures of Rs.35,13,168/- of Suruchi Restaurant Asset in the year 2015-16 which has been charged as extraordinary items (refer note no.33)

## Notes to financial statements for the period ended 31st March 2017

|   | As at March 31, 2017 | As at March 31, 2016 |
|---|----------------------|----------------------|
| <b>Note 14:</b>                                   |                      |                      |
| <b>LONG TERM LOANS &amp; ADVANCES</b>             |                      |                      |
| Security Deposits<br>(unsecured, considered good) | 206,04,548           | 2,29,72,673          |
| <b>Total</b>                                      | <b>206,04,548</b>    | <b>2,29,72,673</b>   |
| <b>Note 15:</b>                                   |                      |                      |
| <b>OTHER NON-CURRENT ASSET</b>                    |                      |                      |
| (Unsecured but considered good)                   |                      |                      |
| Assets Handed Over to Lessor                      | -                    | -                    |
| TDS receivable                                    | 203,33,458           | 3,33,39,937          |
| Claims receivable                                 | 126,19,631           | 2,17,55,904          |
| <b>Total</b>                                      | <b>329,53,089</b>    | <b>5,50,95,841</b>   |
| <b>Note 16:</b>                                   |                      |                      |
| <b>INVENTORY</b>                                  |                      |                      |
| Stock of Provision & Stores (4)                   | 135,82,345           | 1,37,03,703          |
| Kitchen Utilities                                 | -                    | -                    |
| <b>Total</b>                                      | <b>135,82,345</b>    | <b>1,37,03,703</b>   |

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

|  | As at March 31, 2017 | As at March 31, 2016 |
|--|----------------------|----------------------|
| <b>Note 17:</b>  |                      |                      |
| <b>TRADE RECEIVABLES</b>   |                      |                      |
| (Unsecured Considered good)                                      |                      |                      |
| From Related Parties   |                      |                      |
| - Outstanding for More than Six Months                           | 103,99,924           | 2,76,87,789          |
| - Others   | 2826,63,893          | 17,54,91,630         |
| From Others  |                      |                      |
| - Outstanding for More than Six Months                           | 194,29,321           | 1,35,80,848          |
| - Others   | 1703,58,342          | 14,83,53,059         |
| <b>Total</b>   | <b>4828,51,480</b>   | <b>36,51,13,326</b>  |
| <b>(5) Trade Receivables from Related Parties</b>                |                      |                      |
| <b>Include Debts Due from:</b>                                   |                      |                      |
| Private Ltd. Company in which Directors are Directors            | 90,78,328            | 31,98,345            |
| Private Ltd. Company in which Directors are Members              | 13,15,748            | 5,87,028             |
| <b>Note 18:</b>  |                      |                      |
| <b>CASH AND BANK BALANCES:</b>                                   |                      |                      |
| Cash and Cash Equivalents  |                      |                      |
| Cash on hand   | 10,33,860            | 33,11,733            |
| \Balance with Bank in Current a/c                                | 595,99,790           | 2,93,35,094          |
| Balance with Bank in Deposit a/c<br>(Including interest accrued) | 271,40,114           | 1,29,05,325          |
| <b>Other Bank Balance</b>  |                      |                      |
| Balance with Bank in Dividend a/c                                | 27,96,430            | 19,51,624            |
| Other Term Deposits<br>( held for period exceeding 3 months )    | 50,86,538            | 42,548               |
| Loan secured against deposit                                     | -                    | -                    |
| Under Lien to Bank towards Bank Guarantees                       | 149,91,956           | 83,86,201            |
| <b>Total</b>   | <b>1106,48,688</b>   | <b>5,59,32,525</b>   |
| <b>Note 19:</b>  |                      |                      |
| <b>SHORT TERM LOANS &amp; ADVANCES</b>                           |                      |                      |
| <b>Other loans &amp; advances</b>                                |                      |                      |
| (Unsecured, considered good unless otherwise stated)             |                      |                      |
| Advances recoverable in Cash or in kind                          | 31,17,671            | 50,59,856            |
| Staff Advance  | 7,81,898             | 41,63,603            |
| Prepaid Expenses   | 102,26,931           | 56,12,412            |
| Other Advance  | 9,21,992             | 6,80,745             |
| <b>Total</b>   | <b>150,48,492</b>    | <b>1,55,16,616</b>   |

## Notes to financial statements for the period ended 31st March 2017

|   | As at March 31, 2017 | As at March 31, 2016  |
|---|----------------------|-----------------------|
| <b>Note 20:</b>                               |                      |                       |
| <b>OTHER CURRENT ASSETS</b>                   |                      |                       |
| Unbilled Revenue                              |                      | -                     |
| Claims receivable (Bonus)                     | 200,00,000           | 1,70,00,000           |
| Service Tax Credit                            | 16,34,099            | 12,78,685             |
| Service Tax Pre Deposits                      | 4,90,000             | 4,90,000              |
| Other Current assets                          | -                    | -                     |
| Advance Tax/Tax deducted at source            | (7,21,466)           | 45,68,953             |
| <b>Total</b>                                  | <b>214,02,633</b>    | <b>2,33,37,638</b>    |
| <b>Note 21:</b>                               |                      |                       |
| <b>REVENUE FROM OPERATIONS</b>                |                      |                       |
| <b>Catering &amp; Management Service:</b>     |                      |                       |
| Sale of Food & Beverage                       | 7855,75,681          | 87,06,76,917          |
| Management Service Charges                    | 5320,18,349          | 42,72,89,658          |
| House Keeping Services                        | 4305,70,577          | 40,27,42,405          |
| Bio Medical Services                          | 1694,95,298          | 11,68,03,101          |
| Facility Engineering Management Services      | 245,20,928           | 2,16,20,997           |
| <b>Total(A)</b>                               | <b>19421,80,833</b>  | <b>1,83,91,33,078</b> |
| Room Revenue                                  | 85,58,413            | 2,02,91,265           |
| <b>Total(B)</b>                               | <b>85,58,413</b>     | <b>2,02,91,265</b>    |
| <b>Grand Total C=(A+B)</b>                    | <b>19507,39,246</b>  | <b>1,85,94,24,343</b> |
| <b>Note 22:</b>                               |                      |                       |
| <b>OTHER INCOME</b>                           |                      |                       |
| Interest on Deposits with Bank                | 21,89,014            | 18,47,482             |
| Interest on Income Tax Refund                 | 5,54,387             | 13,57,957             |
| Dividend Received                             | 15,84,283            | -                     |
| Profit on sale of asset                       | 40,989               | 43,103                |
| Miscellaneous Income *                        | 21,11,321            | 9,10,063              |
| Recoveries from Staff                         | -                    | -                     |
| <b>OTHER INCOME FROM OPERATIONS</b>           |                      |                       |
| Reimbursable expenses                         | -                    | 80,01,280             |
| <b>Total</b>                                  | <b>64,79,994</b>     | <b>1,21,59,885</b>    |
| <b>Note 23:</b>                               |                      |                       |
| <b>CONSUMPTION OF PROVISIONS &amp; STORES</b> |                      |                       |
| Opening Stock                                 | 137,03,703           | 1,28,82,162           |
| (+) Purchases                                 | 4527,21,055          | 54,28,22,206          |
| (-) Closing Stock                             | 135,82,345           | 1,37,03,703           |
| <b>Total</b>                                  | <b>4528,42,413</b>   | <b>54,20,00,665</b>   |
| <b>Note 24:</b>                               |                      |                       |
| <b>EMPLOYEE BENEFIT EXPENSES</b>              |                      |                       |
| Salaries & Wages                              | 8570,70,648          | 79,25,84,491          |
| Director's Remuneration                       | 44,84,292            | 43,18,749             |
| Bonus   | 490,17,732           | 3,41,40,961           |
| Contribution to PF and other funds            | 1046,24,342          | 9,59,05,523           |
| Leave Encashment                              | 92,96,205            | 41,84,736             |
| Gratuity                                      | 355,45,057           | 2,90,77,882           |
| Other Allowances                              | 136,84,582           | 1,82,44,728           |
| Staff Welfare                                 | 145,16,938           | 1,25,33,948           |
| Other Expenses                                | 81,438               | 1,80,664              |
| Medical Expenses                              | 11,75,822            | 11,90,882             |
| Insurance                                     | 23,60,076            | 19,13,678             |
| <b>Total</b>                                  | <b>10918,57,132</b>  | <b>9942,76,242</b>    |

## Notes to financial statements for the period ended 31st March 2017

|                                    | As at March 31, 2017 | As at March 31, 2016 |
|------------------------------------|----------------------|----------------------|
| <b>Note 25:</b>                    |                      |                      |
| <b>FINANCE COST</b>                |                      |                      |
| Interest on Cash Credit with Bank  | 10,09,844            | 12,47,685            |
| Interest on WCDL with Bank         | -                    | 26,14,953            |
| Interest on Bill discounting       | 7,89,117             | 29,52,834            |
| Interest on Term Loan              | 6,94,230             | 9,27,160             |
| Interest on Car Loan               | 1,68,812             | 75,292               |
| <b>Total</b>                       | <b>26,62,003</b>     | <b>78,17,924</b>     |
| <b>Note 26:</b>                    |                      |                      |
| <b>OTHER EXPENSES</b>              |                      |                      |
| Advertisement & Business Promotion | 25,81,768            | 10,73,300            |
| Bank Charges                       | 13,93,901            | 4,73,359             |
| Bad Debts                          | 10,45,179            | 23,08,369            |
| Communication Expense              | 42,25,546            | 47,12,631            |
| Professional & Consultancy fee     | 140,80,499           | 1,22,12,998          |
| Power & Fuel                       | 344,93,123           | 470,70,418           |
| Guest House Expense                | -                    | 1,53,669             |
| Hiring charges                     | 10,95,930            | 3,92,778             |
| House keeping Expenses             | 141,15,637           | 209,64,670           |
| Interest on Delayed Remittance     | 23,69,315            | 33,51,293            |
| Kitchen Utensils                   | 26,83,977            | 56,10,288            |
| Miscellaneous Expenditure          | 55,79,991            | 30,70,848            |
| Listing fees                       | 2,38,920             | 1,14,992             |
| Loss on sale of asset              | 1,97,051             | 7,73,902             |
| Office Expenses                    | 20,148               | 5,15,880             |
| Outsourcing Expenses               | 281,88,852           | 3,08,38,314          |
| Franchise Fees                     | 185,96,864           | 1,61,63,571          |
| Other Administrative Expenses      | -                    | 20,86,138            |
| Software License Fee               | 9,39,828             | 7,85,027             |
| Printing and Stationary            | 27,01,693            | 41,12,404            |
| Processing Fees                    | -                    | -                    |
| Rates & Taxes                      | 28,04,563            | 34,36,153            |
| Rent                               | 337,90,622           | 3,46,39,519          |
| Remuneration to auditors           |                      |                      |
| - Statutory Audit                  | 10,65,452            | 7,99,007             |
| - For Tax audit                    | 88,724               | 88,724               |
| - Other related expense            | -                    | 6,251                |
| - Repairs & Maintenance - Others   | 82,45,156            | 8,193,717            |
| Service Charges                    | 55,43,811            | 5,553,007            |
| Security Charges                   | 32,65,685            | 1,739,212            |
| Sitting Fee                        | 6,80,000             | 6,82,000             |
| Sitting Fee - Service Tax          | 29,000               | 95,311               |
| Travelling & Conveyance            | 184,01,299           | 1,60,71,549          |
| Transport Charges                  | 26,53,415            | 31,70,312            |
| Training Expenses                  | 21,200               | -                    |
| VAT expenses                       | 97,40,455            | 1,37,42,657          |
| <b>Total</b>                       | <b>2208,77,514</b>   | <b>2449,96,016</b>   |

**Note 27:****RELATED PARTY DISCLOSURE:**

## List of Related Parties as

| Nature of Relation  | Name of Related Party   |
|---|---|
| Promoter  | Dr. Pratap.C.Reddy<br>Mr. P.VijayaKumar Reddy<br>Mrs. Suneeta Reddy<br>Mrs. Shobana Kamineni<br>Mrs. Sucharitha Reddy<br>Mrs. Sindoori Reddy  |
| Key Management Personnel  | Mrs. Sucharitha Reddy<br>Mrs. Sindoori Reddy  |
| 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<br>M/s Apollo Gleneagles Hospitals Ltd<br>M/s.Apollo Health & Lifestyle Ltd<br>M/s.Apollo Hospital International Limited<br>M/s Imperial Cancer Hospital & Research Center Ltd<br>M/s Lifetime Wellness Rx International Ltd<br>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 |              |
|---------------------------|--------------------------|-----------|---------------|------------|--|--------------|
|                           | 2016-2017                | 2015-2016 | 2016-2017     | 2015-2016  | 2016-2017                                | 2015-2016    |
| Salary                    | 44,84,292                | 43,18,749 | -             | -          | -  | -            |
| Sale of goods & services  | -                        | -         | 133,26,470    | 141,31,331 | 12499,30,866                             | 12570,98,549 |
| Purchase of goods         | -                        | -         | -             | -          | -  | 4,77,184     |
| Balance Outstanding       | -                        | -         | 90,78,328     | 39,71,548  | 2839,85,489                              | 1999,81,074  |

**Note 28:****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 26:Other Expenses  
Lease payments under non-cancellable lease agreements.

| Future lease payments                | 31-Mar-17 (₹) | 31-Mar-16 (₹) |
|--------------------------------------|---------------|---------------|
| Not Later than 1 Year                | 69,80,704     | 63,32,394     |
| Later than 1 Year but before 5 Years | 60,07,866     | 69,80,704     |
| Total                                | 129,88,570    | 1,33,13,098   |

**Note 29: FOREIGN CURRENCY EARNINGS/EXPENDITURE:****Apollo Sindoori Hotels Limited**

| <b>Particulars</b>              | <b>31-Mar-17 (₹)</b> | <b>31-Mar-16 (₹)</b> |
|---------------------------------|----------------------|----------------------|
| Expenditure in Foreign currency | 4,33,392             | 778,104              |
| Earnings in Foreign currency    | Nil                  | Nil                  |

**Faber Sindoori Management Services Pvt Ltd**

| <b>Particulars</b>                         | <b>31-Mar-17</b> | <b>31-Mar-16</b> |
|--|------------------|------------------|
| Royalty Fee paid during the year           | 151,93,870       | 134,06,282       |
| CMMIS Fees                                 | 11,18,305        | 14,27,619        |
| Exchange difference included in net profit | -                | -                |
| Dividend paid                              | 16,48,947        | 14,13,383        |

**Note 30: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**

| <b>Period Covered</b>          | <b>31-Mar-17 (₹)</b>   | <b>31-Mar-16 (₹)</b> |
|--------------------------------|--|----------------------|
| Assumptions                    | Rs.  | Rs.                  |
| Discount Rate                  | 7.5% p.a.  | 7.8% p.a.            |
| Expected Return On Plan Assets | 8% p.a.  | 8% p.a.              |
| Mortality                      | Indian Assured Lives Mortality<br>(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-17 (₹)     | 31-Mar-16 (₹)      |
|--|-------------------|--------------------|
| Present Value Of obligation at the beginning of the period | 428,06,028        | 3,40,53,067        |
| Interest Cost  | 33,36,498         | 27,30,058          |
| Current Service Cost                                       | 94,07,124         | 44,42,428          |
| Past Service Cost  | -                 | -                  |
| Benefits Paid  | (58,18,313)       | (40,19,945)        |
| Actuarial (gain)/loss on Obligation                        | 147,11,322        | 56,00,420          |
| Present Value Of obligation at the end of the period       | 644,44,659        | 4,28,06,028        |
| Fair value of plan assets at the beginning of the period   | 146,00,903        | 1,35,82,236        |
| Expected Return On plan assets                             | 11,67,242         | 10,88,897          |
| Contributions  | 110,00,000        | -                  |
| Benefits Paid  | -                 | -                  |
| Actuarial gain (Loss) Plan assets                          | -                 | (70,230)           |
| Fair value of plan assets at the end of the period         | 267,68,145        | 1,46,00,903        |
| Total actuarial gain (loss) to be recognized               | (147,11,322)      | (56,70,650)        |
| <b>Balance Sheet Recognition</b>                           |                   |                    |
| Present Value Of Obligation                                | 644,44,659        | 4,28,06,028        |
| Fair Value Of Plan Assets                                  | (267,68,145)      | (1,46,00,903)      |
| Liability (assets)   | 376,76,514        | 2,82,05,125        |
| Unrecognised Past Service Cost                             | -                 | -                  |
| <b>Liability (asset) recognised in the Balance Sheet</b>   | <b>376,76,514</b> | <b>2,82,05,125</b> |

## Profit & Loss – Expenses

|  |                   |                    |
|--|-------------------|--------------------|
| Current Service Cost   | 94,09,124         | 44,42,428          |
| Interest Cost  | 33,36,498         | 27,30,058          |
| Expected Return On plan assets                                       | (11,67,242)       | (10,88,897)        |
| Net Actuarial (gain)/loss recognised in the year                     | 147,11,322        | 56,70,650          |
| Past Service Cost  | -                 | -                  |
| <b>Expenses Recognised in the statement of Profit &amp; Loss</b>     | <b>262,89,702</b> | <b>1,17,54,239</b> |
| <b>Actual Return On Plan Assets</b>                                  |                   |                    |
| Expected Return on plan assets                                       | 11,67,242         | 10,88,897          |
| Actuarial gain/(Loss) on plan assets                                 | -                 | (70,230)           |
| Actual Return On Plan Assets   | 11,67,242         | 10,18,667          |
| <b>Movement in the net Liability recognised in the Balance Sheet</b> |                   |                    |
| Opening net Liability  | 282,05,125        | 2,04,70,831        |
| Expenses   | 262,89,702        | 1,17,54,239        |
| Contribution   | (168,18,313)      | (40,19,945)        |
| Closing Net Liability  | 376,76,514        | 2,82,05,125        |

## b) Leave Encashment

| Period Covered                 | As at March 31, 2017  | As at March 31, 2016 |
|--------------------------------|---|----------------------|
| Assumptions                    | Rs.   | Rs.                  |
| Discount Rate                  | 7.8% p.a.   | 7.5% p.a.            |
| Expected Return On Plan Assets | -   | -                    |
| Mortality                      | Indian Assured Lives Mortality<br>(as % of IALM 2006-08 - 100%) |                      |
| Future Salary Increases        | 5% p.a.   | 5% p.a.              |
| Disability                     | Nil   | Nil                  |
| Withdrawal rate                | 2% p.a.   | 2% p.a.              |

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

|  | As at March 31, 2017 | As at March 31, 2016 |
|--|----------------------|----------------------|
| Present Value Of obligation at the beginning of the period | 13,717,705           | 12,202,771           |
| Interest Cost  | 1,069,220            | 978,305              |
| Current Service Cost                                       | 4,075,606            | 1,789,432            |
| Past Service Cost  | 0                    | 0                    |
| Benefits Paid  | -218,622             | -1,020,092           |
| Actuarial (gain)/loss on Obligation                        | -855,468             | -232,711             |
| Present Value Of obligation at the end of the period       | 17,788,441           | 13,717,705           |
| Fair value of plan assets at the beginning of the period   | -                    | -                    |
| Expected Return On plan assets                             | -                    | -                    |
| Contributions  | -                    | -                    |
| Benefits Paid  | -                    | -                    |
| Actuarial gain (Loss) Plan assets                          | -                    | -                    |
| Fair value of plan assets at the end of the period         | -                    | -                    |
| Total actuarial gain (loss) to be recognized               | 855,468              | 232,711              |
| <b>Balance Sheet Recognition</b>                           |                      |                      |
| Present Value Of Obligation                                | 17,788,441           | 13,717,705           |
| Fair Value Of Plan Assets                                  | -                    | -                    |
| Liability (assets)   | 17,788,441           | 13,717,705           |
| Unrecognised Past Service Cost                             | -                    | -                    |
| Liability (asset) recognised in the Balance Sheet          | 17,788,441           | 13,717,705           |

## Profit & Loss – Expenses

|  | As at March 31, 2017 | As at March 31, 2016 |
|--|----------------------|----------------------|
| Current Service Cost   | 4,075,606            | 1,789,432            |
| Interest Cost  | 1,069,220            | 978,305              |
| Expected Return On plan assets                                       | -                    | -                    |
| Net Actuarial (gain)/loss recognised in the year                     | (855,468)            | (232,711)            |
| Past Service Cost  | -                    | -                    |
| Expenses Recognised in the statement of Profit & Loss                | 4,289,358            | 2,535,026            |
| <b>Actual Return On Plan Assets</b>                                  | -                    | -                    |
| Expected Return on plan assets                                       | -                    | -                    |
| Actuarial gain/(Loss) on plan assets                                 | -                    | -                    |
| Actual Return On Plan Assets   | -                    | -                    |
| <b>Movement in the net Liability recognised in the Balance Sheet</b> |                      |                      |
| Opening net Liability  | 13,717,705           | 12,202,771           |
| Expenses   | 4,289,358            | 2,535,026            |
| Contribution   | (218,622)            | (1,020,092)          |
| Closing Net Liability  | 17,788,441           | 13,717,705           |

Gratuity Liability 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 Rs.32,25,135/- as at 31st March 2017 (Previous Year Rs.1,21,62,142/- as at 31st March 2016) is reflected as claims receivable and the corresponding liability as provision for gratuity as no income accrues to the Company on this account as it considered as a pass through transaction. The liability on account of Leave encashment for the above employees reflected as claims receivable is Rs.93,94,496/- as at 31st March 2017 (Previous Year Rs.93,94,496/- as at 31st March 2016)

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

| Particulars                                  | 31-Mar-17               | 31-Mar-16               |
|--|-------------------------|-------------------------|
| Average Age                                  | 31.19                   | 35                      |
| Average Past Service                         | 2.87                    | 7.4                     |
| Discount Rate                                | 8%                      | 8%                      |
| Salary Escalation Rate                       | 6%                      | 6%                      |
| Mortality Rate                               | 100% of IALM<br>2006-18 | 100% of IALM<br>2006-18 |
| Attrition                                    |                         |                         |
| Mortality Table Rate                         | 10%                     | 10%                     |
| <b>Actuarial Result</b>                      |                         |                         |
| Value of current year obligation             | 10,672,114              | 35,75,045               |
| Present Value of Non-current year Obligation | 50,514,340              | 2,94,10,203             |
| Present Value of Obligation                  | 61,186,454              | 3,29,85,248             |
| Fair Value of the Assets                     | 32,865,543              | 2,68,51,889             |
| Net Asset/(Liability) Recognised             | (28,320,911)            | (61,33,359)             |

ii) Earned Leave

| Particulars                                  | 31-Mar-17   | 31-Mar-16   |
|--|---|---|
| Mortality Rate                               | Indian Assured<br>100% of IALM<br>Mortality Table | Indian Assured<br>100% of IALM<br>Mortality Table |
| Rate of discount                             | 8.00%   | 8.00%   |
| Rate of Salary Escalation                    | 6.00%   | 6.00%   |
| Attrition rate                               | 10.00%  | 10.00%  |
| <b>Actuarial Results</b>                     |   |   |
| Value of current year obligation             | 510,080   | 5,21,353  |
| Present Value of Non-current year Obligation | 3,978,371   | 38,79,549   |
| Present Value of Obligation                  | 4,488,451   | 44,00,903   |
| Net Asset/(Liability) Recognised             | (4,488,451)                                       | (44,00,903)                                       |

Note 31: EARNINGS PER SHARE

| Particulars                                   | 31-Mar-17 (₹) | 31-Mar-16 (₹) |
|---|---------------|---------------|
| Net Profit as P&L                             | 111,476,737   | 9,687,318     |
| Weighted average no. of shares o/s            | 1,300,200     | 1,300,200     |
| Nominal Value Per Share                       | 10            | 10            |
| Earnings per share before extra-ordinary item |               |               |
| - Basic & Diluted EPS                         | 85.74         | 44.38         |
| Earnings per share after extra-ordinary item  |               |               |
| - Basic & Diluted EPS                         | 85.74         | 7.45          |

### Note 32: Segmental Reporting

#### Statement Showing Consolidated Segment results for the financial year 2016-2017

| Particulars   | Year             | Outsourced Services | Other Operations | Unallocated        | House Keeping      | Total              |
|---|------------------|---------------------|------------------|--------------------|--------------------|--------------------|
| Segment Revenues  | 2016-2017        | 1,320,339,039       | 10,381,794       | -                  | 626,498,407        | 1,957,219,240      |
|   | 2015-2016        | 1,306,269,893       | 22,883,922       | -                  | 542,430,413        | 1,871,584,228      |
| Expenses  | 2016-2017        | 1,218,390,625       | 10,478,946       | -                  | 536,707,489        | 1,765,577,060      |
|   | 2015-2016        | 1,284,325,931       | 14,957,325       | -                  | 481,989,667        | 1,781,272,923      |
| Segment Results   | 2016-2017        | 90,188,014          | (97,152)         | -                  | 89,790,918         | 179,891,780        |
|   | 2015-2016        | 6,490,402           | 7,926,596        | -                  | 60,440,746         | 74,857,745         |
| Income before depreciation interest taxes and extraordinary items | 2016-2017        | 101,948,415         | (97,152)         | -                  | 89,790,918         | 191,642,181        |
|   | 2015-2016        | 21,943,962          | 7,926,596        | -                  | 60,440,746         | 90,311,305         |
| Interest  | 2016-2017        | 2,662,003           | -                | -                  | -                  | 2,662,003          |
|   | 2015-2016        | 7,619,168           | -                | -                  | 198,756            | 7,817,924          |
| Depreciation  | 2016-2017        | 9,088,398           | -                | -                  | 6,887,191          | 15,975,589         |
|   | 2015-2016        | 7,834,392           | -                | -                  | 6,677,780          | 14,512,172         |
| Exordinary Items  | 2016-2017        | -                   | -                | -                  | -                  | -                  |
|   | 2015-2016        | 48,021,864          | -                | -                  | -                  | 48,021,864         |
| Tax Expenses  | 2016-2017        | 29,928,167          | -                | -                  | 31,599,685         | 61,527,852         |
|   | 2015-2016        | (9,384,518)         | -                | -                  | 19,656,545         | 10,272,027         |
| <b>Profit/(Loss) after Taxation</b>                               | <b>2016-2017</b> | <b>60,269,847</b>   | <b>(97,152)</b>  | <b>-</b>           | <b>51,304,042</b>  | <b>111,476,737</b> |
|   | <b>2015-2016</b> | <b>(32,146,944)</b> | <b>7,926,596</b> | <b>-</b>           | <b>33,907,665</b>  | <b>9,687,318</b>   |
| Segment Assets  | 2016-2017        | 472,398,559         | 2,848,135        | -                  | 289,658,642        | 764,905,336        |
|   | 2015-2016        | 407,265,588         | 6,581,901        | -                  | 183,460,380        | 597,307,869        |
| Segment Assets (Unallocated)                                      | 2016-2017        | -                   | -                | 20,333,458         | -                  | 20,333,458         |
|   | 2015-2016        | -                   | -                | 33,339,937         | -                  | 33,339,937         |
| <b>Total Assets</b>   | <b>2016-2017</b> | <b>478,914,693</b>  | <b>2,848,135</b> | <b>20,333,458</b>  | <b>289,658,642</b> | <b>785,238,794</b> |
|   | <b>2015-2016</b> | <b>407,265,588</b>  | <b>6,581,901</b> | <b>33,339,937</b>  | <b>183,460,380</b> | <b>630,647,806</b> |
| Segment Liabilities   | 2016-2017        | 362,566,659         | 1,370,740        | -                  | 53,991,083         | 417,928,481        |
|   | 2015-2016        | 290,895,074         | 429,251          | -                  | 81,925,016         | 373,249,341        |
| Unallocated Liabilities   | 2016-2017        | -                   | -                | -                  | -                  | -                  |
|   | 2015-2016        | -                   | -                | -                  | -                  | -                  |
| Shareholders Funds  | 2016-2017        | -                   | -                | 131,642,754        | 235,667,559        | 367,310,312        |
|   | 2015-2016        | -                   | -                | 155,863,102        | 101,535,363        | 257,398,465        |
| <b>Total Liabilities</b>  | <b>2016-2017</b> | <b>377,636,061</b>  | <b>1,370,740</b> | <b>131,642,754</b> | <b>289,658,641</b> | <b>785,238,794</b> |
|   | <b>2015-2016</b> | <b>290,895,074</b>  | <b>429,251</b>   | <b>155,863,102</b> | <b>183,460,380</b> | <b>630,647,806</b> |
| Capital Expenditure Incurred                                      | 2016-2017        | 10,616,587          | -                | -                  | 4,853,086          | 15,469,673         |
|   | 2015-2016        | 31,584,753          | -                | -                  | 2,091,509          | 33,676,261         |
| Segment Depreciation  | 2016-2017        | 9,088,398           | -                | -                  | 6,887,191          | 15,975,589         |
|   | 2015-2016        | 7,834,392           | -                | -                  | 6,677,780          | 14,512,172         |
| Non cash expenses other than depreciation                         | 2016-2017        | 1,218,390,625       | 10,478,946       | -                  | 536,707,489        | 1,765,577,060      |
|   | 2015-2016        | 1,284,325,931       | 14,957,325       | -                  | 481,989,667        | 1,781,272,923      |

**Note 33 : Extra ordinary item charged to statement of profit and loss consists of:**

| Particulars   | 31-Mar-17 (₹) | 31-Mar-16 (₹)      |
|---|---------------|--------------------|
| Service tax & interest  | -             | 49,91,794          |
| Bad debt write off  | -             | 2,54,37,346        |
| Impairment of assets (refer note no : 12)                             | -             | 40,72,016          |
| 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>-</b>      | <b>4,80,21,864</b> |

**Note 34:**

**Contingent liability :**

| Particulars  | 31-Mar-17 (₹) | 31-Mar-16 (₹) |
|--|---------------|---------------|
| Claims against the Company/ disputed liabilities not acknowledged as debts | 1,392,680     | 1,392,680     |
| Performance guarantee by Bank  | 26,430,507    | 13,165,113    |
| Disputed Income Tax liability not provided for                             | 21,058,705    | 21,058,705    |
| Disputed Service Tax liability not provided for                            | 15,916,737    | 15,916,737    |

**Note 35:**

**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 31.03.2017 | OUTSTANDING AMOUNT AS ON 31.03.2016 |
|--|-------------------------------------|-------------------------------------|
| Klean&Klear Solution                         | 67,366                              | 105,301                             |
| Electro Meter Corporation                    | 37,905,                             | 8,360                               |
| Northlab (India) Pvt. Ltd.                   | 94,773                              | Nil                                 |
| Promopt Solution P Ltd                       | 99,711                              | Nil                                 |
| R M Uniforms                                 | 23,200                              | Nil                                 |
| Sakthi Enterprises                           | 5,971                               | Nil                                 |
| Spacereach                                   | 20,024                              | Nil                                 |
| Sri Balaji Associates                        | 2,061                               | Nil                                 |
| Sunshine Biomedical Solutions                | 163,296                             | Nil                                 |
| Suntron Enterprises                          | 34,300                              | Nil                                 |
| Tii Techno Testing Services P Ltd            | 1,291                               | Nil                                 |
| British Clean                                | 3,600                               | Nil                                 |
| PS Medical Systems Private Limited           | Nil                                 | 19,104                              |
| LUB DUB Medical Technologies Private Limited | Nil                                 | 28,251                              |
| Vaansari Marketing Services                  | Nil                                 | 22,678                              |
| Mis Healthcare P Ltd                         | 18,900                              | Nil                                 |

**Note 36:**

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-17 (₹)                                    | 31-Mar-16 (₹)       |
| <b>ASSETS :</b>                |  |                     |
| <b>Non-current assets</b>      | <b>292,706,892</b>                               | <b>18,39,13,028</b> |
| Fixed assets                   |  |                     |
| (i) Tangible assets            | 14,741,031                                       | 1,27,22,906         |
| (ii) Intangible assets         | 7,950,536  | 1,21,20,484         |
| Long-term loans and advances   | 5,921,520  | 62,59,228           |
| Deferred Tax Asset             | 7,627,089  | 9,60,057            |
| <b>Current assets</b>          |  |                     |
| Inventories                    | 4,121,419  | 22,54,391           |
| Trade receivables              | 150,340,205                                      | 11,05,83,016        |
| Cash & Bank Balances           | 89,797,598                                       | 2,98,01,927         |
| Short-term loans and advances  | 10,804,862                                       | 2,873,383           |
| Other current assets           | 1,402,633  | 6,337,638           |
| <b>LIABILITIES :</b>           |  |                     |
| <b>Reserves and surplus</b>    | <b>171,955,354</b>                               | <b>12,57,55,712</b> |
| <b>Non-current liabilities</b> | <b>14,923,516</b>                                | <b>66,64,387</b>    |
| Long term provisions           | 14,923,516                                       | 66,64,387           |
| <b>Current liabilities</b>     | <b>79,531,875</b>                                | <b>5,10,40,281</b>  |
| Trade payables                 | 25,245,252                                       | 1,36,42,194         |
| Other current liabilities      | 54,286,622                                       | 37,398,087          |
| Deferred Tax Liability (Net)   |  |                     |
| <b>INCOME :</b>                | <b>626,498,407</b>                               | <b>54,24,30,413</b> |
| <b>EXPENSES :</b>              | <b>543,594,679</b>                               | <b>48,88,66,203</b> |

**Note 37:**

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-17 (₹) | 31-Mar-16 (₹) |
|---|---------------|---------------|
| Net Asset (Total asset minus Liabilities) | 177,512,403   | 126,208,361,  |
| Net Asset of consolidated FS              | 367,310,312   | 257,398,465   |
| % on consolidated Net assets              | 48%           | 49%           |
| Share of Profits/ (Losses)                | 51,304,042    | 33,907,655    |
| Consolidated profit / (Losses)            | 111,476,737   | 9,687,318     |
| % on consolidated profit                  | 46%           | 350%          |

**Note 38:**

**Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as provided in the Table below:**

| Particulars                                  | Other denomination |            | Total      |
|--|--------------------|------------|------------|
|  | SBNs               | Notes      |            |
| Closing cash in hand as on 08.11.2016        | 2,125,500          | 4,123,010  | 6,248,510  |
| (+) Permitted receipts                       | 1,162,000          | 17,678,938 | 18,840,938 |
| (-) Permitted payments                       | -                  | 459,966    | 459,966    |
| (-) Amount deposited in Banks                | 3,287,500          | 15,651,458 | 18,938,958 |
| <b>Closing cash in hand as on 30.12.2016</b> | -                  | 5,690,524  | 5,690,524  |

**Note 39:**

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 40:**

Figures for the previous year have been regrouped or rearranged wherever necessary. Figures have been rounded off to the nearest rupees

**R. Subramanian and Company**  
Chartered Accountants

**R.Rajaram**  
Partner

Place: Chennai  
Date: 11.05.2017

**For Apollo Sindoori Hotels Ltd.,**

**Sucharitha Reddy**  
Managing Director

**Suresh R Madhok**  
Director

**G Venkatraman**  
Director

**C Natarajan**  
Chief Executive Officer

**Shuganya K**  
Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2017**

|   | <b>31-Mar-16</b><br>₹ | <b>31-Mar-17</b><br>₹ |
|---|-----------------------|-----------------------|
| <b>A</b>  |                       |                       |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                          |                       |                       |
| Net Profit Before Taxation and Extraordinary Items                  |                       |                       |
| <b>Adjustments for</b>  | 173,004,589           | 67,981,209            |
| Depreciation  | 15,975,589            | 14,512,172            |
| Dividend Income   | (1,584,283)           | (3,180,488)           |
| Interest income (on deposits)                                       | (2,189,014)           | (1,847,482)           |
| Interest expense  | 2,662,003             | 7,817,924             |
| Fixed Assets Written Off  | -                     | 4,072,013             |
| Impairment of Current Assets  | -                     | 5,150,684             |
| (Profit)/loss on sale of assets                                     | 156,062               | 730,799               |
| <b>Operating Profit before working capital changes</b>              | 188,024,946           | 95,236,831            |
| (Increase)/Decrease in Trade Receivables                            | (176,898,131)         | (58,607,602)          |
| (Increase)/Decrease in Inventory                                    | 121,357               | 1,793,300             |
| Increase/(Decrease) in Trade Payables                               | 3,886,435             | 37,784,216            |
| Increase/(Decrease) in Other current liabilities                    | (22,319,168)          | 35,930,396            |
| (Increase)/Decrease in Short Term Loans & advances                  | 468,124               | (771,582)             |
| (Increase)/Decrease in Other Current asset                          | 1,935,005             | (2,404,855)           |
| Increase/(Decrease) in Employee benefit provisions                  | 26,001,883            | 19,378,608            |
| Increase / (Decrease) in Cash Credit with HDFC                      | 30,185,464            | (412,853)             |
| Increase/(Decrease) in provisions                                   | -                     | -                     |
| <b>Cash generated from operations after working capital changes</b> | 51,405,916            | 127,926,458           |
| Direct taxes paid   | (10,000,000)          | (21,153,300)          |
| <b>Cash generated from operations before Extra-ordinary items</b>   | 41,405,916            | 106,773,158           |
| Extra-ordinary Item   | -                     | (48,021,864)          |
| <b>Net Cash Flow from Operating activities(A)</b>                   | 41,405,916            | 58,751,294            |
| <b>B</b>  |                       |                       |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                          |                       |                       |
| (Increase)/Decrease in Other Non-current asset                      | 13,411,757            | (19,057,160)          |
| Purchase of Fixed Assets  | (15,469,673)          | (33,676,261)          |
| Sale of Fixed Assets  | 1,729,427             | 1,417,032             |
| Gratuity funded   | (11,000,000)          | -                     |
| Dividend received   | 1584,283              | 1,357,957             |
| Increase / (Decrease) in Deposit                                    | (12,494,551)          | 5,866,048             |
| Interest received on deposits                                       | 2,189,014             | 1,847,482             |
| <b>Net Cash flow from Investing activities(B)</b>                   | (20,049,743)          | (42,244,902)          |
| <b>C</b>  |                       |                       |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                          |                       |                       |
| (Increase)/Decrease in Long term Loans & advances                   | 2,368,126             | (3,325,631)           |
| Increase/(Decrease) in Long term liabilities                        | 6,954,876             | 27,255,809            |
| (Repayment of) Loan against deposit                                 | -                     | (15,000,000)          |
| Term Loan Received from Bank  | 5,600,000             | 4,166,667             |
| Repayment of Principal amount of Bank Loan (TL and Car loan)        | (5,630,348)           | (437,063)             |
| Payment of Interest Bank Loan                                       | (2,662,003)           | (7,817,924)           |
| Dividend Paid   | -                     | (3,900,600)           |
| Tax on Dividend paid  | -                     | (866,045)             |
| <b>Net Cash flow from Financing activities</b>                      | 6,630,651             | 75,212                |
| Net Increase / Decrease in cash and cash equivalents                | 27,986,824            | 16,581,605            |
| Cash and Cash Equivalent at the beginning of the period             | 32,646,827            | 16,065,221            |
| Cash and Cash Equivalent at the end of the period                   | 60,633,651            | 32,646,827            |

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

**R.Rajaram**

Partner

Place: Chennai

Date: 11.05.2017

**For Apollo Sindoori Hotels Ltd.,**

**Sucharitha Reddy**  
Managing Director

**Suresh R Madhok**  
Director

**G Venkatraman**  
Director

**C Natarajan**  
Chief Executive Officer

**Shuganya K**  
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: #16 Apollo Annex Building I floor  
Wallace Garden 1st Street Chennai – 600 006.

#### 19th Annual General Meeting - 21st July 2017

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 19th Annual general meeting of the company, to be held on the 21st day of July 2017 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)<br>(Please mention no of Shares) |         |         |
|--------------------------|--|--|---------|---------|
|                          |  | For  | Against | Abstain |
| <b>Ordinary Business</b> |  |  |         |         |
| 1                        | Adoption of<br><br>i)the Audited Financial Statements of the Company for the Financial Year Ended 31st March, 2017, and the Report of the Directors and Auditors thereon and<br>ii) the Audited Consolidated Financial Statements of the Company for the Financial Year Ended 31st March, 2017 and the Report of the Directors and Auditors thereon. |  |         |         |
| 2                        | To declare dividend to the shareholders of the company for the financial year 2016-17  |  |         |         |
| 3                        | Appointment of a director in place of Mrs.Suneeta Reddy Director who retires by rotation and being eligible, offer herself for re-appointment.   |  |         |         |
| 4                        | Appointment of M/s. P. Chandrasekhar & Co, Chartered Accountant, as auditors of the Company.   |  |         |         |



Signed \_\_\_\_\_ day of \_\_\_\_\_ 2017

Affix  
Re.0.15  
Revenue  
Stamp

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

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

**Notes :**

1. The form, 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: #16 Apollo Annex Building I floor  
Wallace Garden 1st Street Chennai – 600 006.

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 19th 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 Friday the 21st Day of July 2017 at 11.30 A.M.



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

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

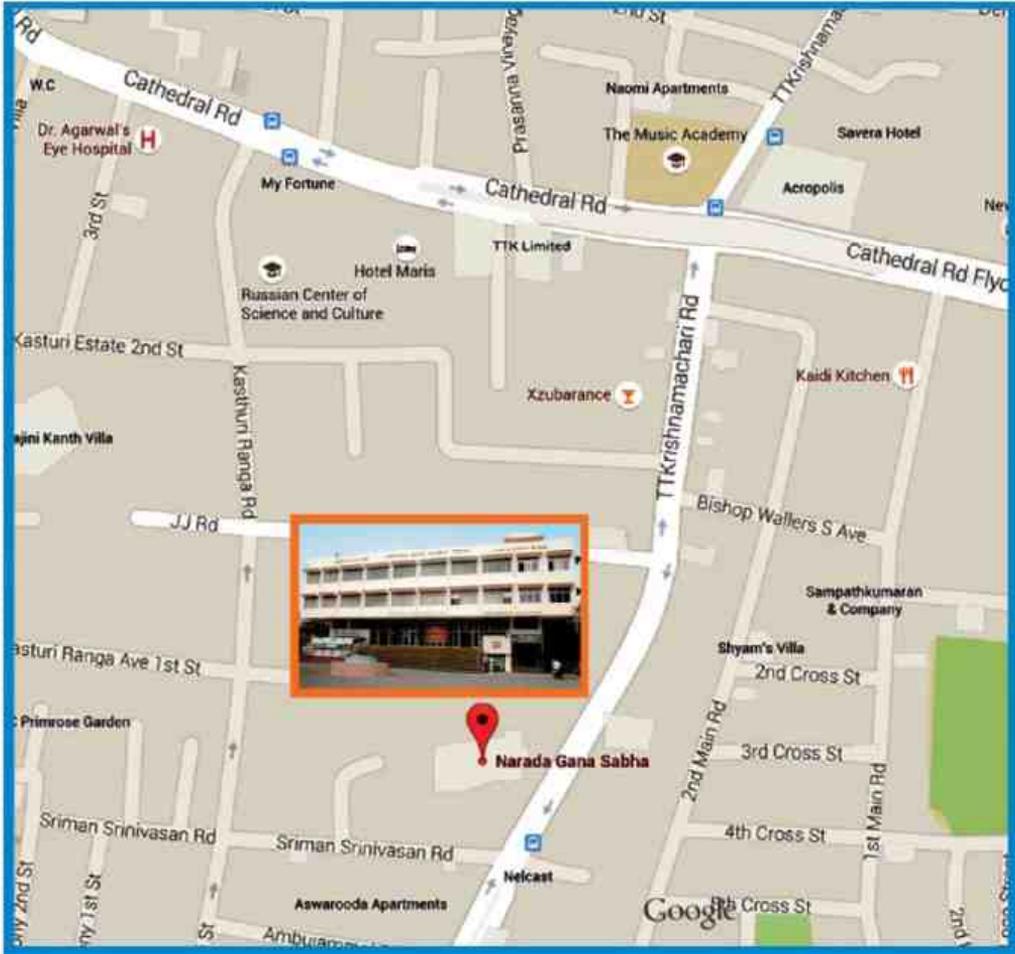
**Note:**

**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







**Hospitality**



**Catering**



**Restaurants**



**Management  
Services**

