

Viceroy Hotels Limited

46th Annual Report

2010 - 2011

CONTENTS

Chairman's Message 1

Corporate Information 2

Notice of 46th Annual General Meeting 3 - 6

Directors' Report 7 - 11

Management Discussion & Analysis 12 - 13

Corporate Governance 14 - 21

Auditor's Report on Standalone Financials 22 - 25

Standalone Audited Financials 26 - 37

Balance Sheet Abstract and Company's General Profile 38

Auditor's Report on Consolidated Financials 39

Consolidated Audited Financials 40 - 53

Attendance Slip and Proxy Form

CHAIRMAN'S MESSAGE



I am pleased to extend you a warm welcome to the 46th Annual General Meeting of our Company. The global recession started in 2008 is still continuing. The economic uncertainty across all the countries in the world has severely affected the growth prospects in the world, particularly for developing countries like India. Interest rates increased by banks as result of RBI's frequent upward revision is putting tremendous pressure on the profitability of the companies and affecting the growth prospects severely. Until the inflation is brought down under control, there is unlikelihood of interest rates coming down. In spite of all these negatives, India is perceived by global investors as a growing economy and is considered as a better choice to invest. In this background, we can expect the economic revival in our country much sooner than the other countries. In spite of global recession and the slowdown in the economic growth, the average annual growth rate in tourism in India over the past 5 years has been 9% which is really commendable. The number of foreign tourist that arrived in India last year was 5.6 million. But China had 55 million tourists last year and Hong Kong City alone had 20 million. So opportunity for growth in tourism is extremely high in India.

Performance of the Company for FY 2010-2011

The standalone performance of the Company in FY 2010-2011, we have gross revenue of Rs.73.61 Crores as against Rs.64.24 Crores in the previous year and consolidated gross revenue is Rs.109.66 Crores as against Rs.97.54 Crores in the previous year.

Present Status

Last year we have opened Business Hotel "Courtyard" in Hyderabad which is adjacent to the Marriott Hotel, Hyderabad. Both the hotels are connected by a bridge for the guest to utilize the facilities in both the hotels. This is proving to be a successful model as it is a combination of Luxury Hotel and Business Hotel. With large inventory of 500 rooms both hotels put together is proving to be an attraction for the convention business. As the global economy is still reeling under the clutches of slowdown, we are concentrating on the domestic business which is showing signs of robust growth.

In tough times like this, where the interest rates are going up, to reduce the debt burden, we have hived off 'Bangalore Renaissance Hotel Project' into a separate company and in that company JPMorgan India Property Mauritius Company II had invested Rs.74 Cr out of Rs.90 Cr. commitment for 60% stake. This has resulted in reduction of Rs.150 Cr. of debt from the books of our company. Similarly, we are hiving off 'Chennai Project Division' through a slump sale process. This will not only result in reduction of debt to the tune of Rs.450 Cr. but also will give Rs.100 Cr. of inflows into the Company.

Future Expansion

With substantial reduction in debt, the Company will have enough resources to embark on the future expansion. As our Company is having vast experience of more than 25 years in the restaurant business, we plan to roll-out more F&B outlets in all major metros in the country. We are having 2 very popular restaurant chains namely "Blue Fox" and "Minerva Coffee Shop". We also have master franchise of Boutique Bakery called 'BreadTalk'. We already have 7 branches and in next 3 years we plan to have 50 outlets. Similarly, we will be looking at establishing Budget Hotels in Tier-2 and 3 cities in the country. With a current shortage of 1 lakh branded rooms, the Indian Markets appetite for quality hotel rooms is only expected to head north ward. The long-term outlook for Budget Hotels in India remains positive, given the country's burgeoning middle class and increasing disposable incomes. The substantial increase in investments in infrastructure, demand is expected to be robust.

Appreciation

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

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

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

Thank you for sparing your valuable time.

With best wishes,

P. Prabhakar Reddy
Chairman

CORPORATE INFORMATION

Board of Directors:

Mr. P. Prabhakar Reddy	--	Chairman & Managing Director
Mr. Jayabharat Reddy (IAS Retd)	--	Independent Director
Mr. R. Subramanian	--	Independent Director
Mr. Rakesh Jhunjunwala	--	Non Executive Director
Mr. P. Narendra	--	Independent Director
Late. Mr. P. Shivakumar Reddy (Ceased w.e.f 23.02.2011)	--	Non Executive Director
Mr. A. Vijayvardhan Reddy	--	Non Executive Director
Mr. A. Poornachandra Rao	--	Independent Director
Mr. K. Narasimha Rao	--	Independent Director
Mr. Rajiv Agarwal (Alternate to Mr. Rakesh Jhunjunwala)	--	Alternate Director
Mr. K. Gurava Raju	--	Chief Financial Officer
Mr. P. Lenin Babu	--	Company Secretary

Audit Committee:

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

Investor Grievance Committee:

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

Auditors:

M/s. P. Murali & Co.,
Chartered Accountants
6-3-655/2/3, 1st Floor
Somajiguda, Hyderabad – 500082

Bankers/ Institutions:

State Bank of India
Allahabad Bank
State Bank of Bikaner & Jaipur
State Bank of Mysore
Indian Overseas Bank
Central Bank of India
IDFC Limited

Axis Bank
Andhra Bank
Canara Bank
UCO Bank
Bank of Maharashtra
HDFC Limited

Registered Office:

8-2-120/115/14
5th Floor, Shangrila Plaza
Road No.2, Banjara Hills
Opp. KBR Park,
Hyderabad – 500034

Share Transfer Agents:

Aarathi Consultants Private Limited
1-2-285, Domalguda
HYDERABAD – 500029

Listing:

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

NOTICE

NOTICE is hereby given that the 46th Annual General Meeting of the Members of Viceroy Hotels Limited will be held on Tuesday, the 27th day of September 2011 at 11.00 AM at 1-3-1036/3/1, Hotel Marriott Convention Centre, Lower Tank Bund, Gandhinagar, Hyderabad-500080, Andhra Pradesh to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2011 and the Profit & Loss Account for the year ended 31st March 2011 along with the Reports of Auditors and the Directors thereon.
2. To appoint a Director in place of Mr. K. Narasimha Rao who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. A. Poornachandra Rao who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint statutory auditors of the Company and fix their remuneration.

SPECIAL BUSINESS:

5. Confirmation/Ratification of Corporate Guarantee

To consider and if deemed fit, to pass through Postal Ballot, the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 372A and other applicable provisions, if any, of the Companies Act, 1956, or any other law for the time being in force, and in accordance with relevant provisions of the Memorandum and Articles of Association of the Company and subject to such approvals, consents, sanctions and/or permissions as may be necessary, confirmation and ratification be and is hereby given in respect of the resolution passed by the Board of Directors of the Company at its meeting held on May 12, 2011 deciding to provide corporate guarantee in favour of IL & FS Trust Company Limited in respect of Term Loan of Rs.206 Crores sanctioned by IL & FS Financial Services Limited to Viceroy Bangalore Hotels Private Limited (*a Wholly Owned Subsidiary of the Company up to July 27, 2011*), in addition to the aggregate of investments and loans already made, guarantees given and securities provided including the guarantee given by the Board as aforesaid, may exceed 60% of paid-up capital and free reserves of the Company or 100% of free reserves of the Company, whichever is more as prescribed under the said Section.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, and things as may be necessary or expedient to give effect to the aforesaid resolution.”

By Order of the Board
For VICEROY HOTELS LTD

Hyderabad
August 13, 2011

SD/-
P. Lenin Babu
Company Secretary

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORMS TO BE VALID SHALL BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. An Explanatory Statement pursuant to section 173 (2) read with section 192A of the Companies Act, 1956 in respect of business item no.5 of the Notice is annexed hereto. It may be noted that for Special Resolution under the said item no.5, Assent / Dissent of Shareholder is to be given by Postal Ballot, which is enclosed together with self-addressed prepaid envelope. Members are requested to return the ballot paper(s) so as to reach it to the Company at its Registered Office before closing working hours on September 24, 2011.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 20th September 2011 to Tuesday, 27th September 2011, both days inclusive.
4. All communications in respect of the share transfers and change in the address may be communicated to our RTA at M/s. Aarthi Consultants Private Limited, 1-2-285, Domalguda, Hyderabad-500029, AP.
5. Members / Proxies should bring the Attendance slip duly filled in for attending the meeting.
6. The Company has designated exclusive e-mail Ids called secretarial@viceroypalaces.com and companysecretary@viceroypalaces.com for redressal of shareholders' complaints/grievances.
7. The Ministry of Corporate Affairs has taken a corporate "Green Initiative in the Corporate Governance" by allowing paperless compliance by companies vide circular bearing No.18/2011 dated 29.04.2011. As per the MCA Circular, Service of documents through electronic mode i.e. e-mail by the Company will be a valid compliance of Section 53 of the Companies Act, 1956. In view of the above, notice is hereby given to every member of the Company including NRI shareholders to get their e-mail addresses registered with their respective Depository Participants (DP) in case shares are held in Demat form and with the Registrar & Share Transfer Agent (RTA) viz. Aarthi Consultants Private Limited, Hyderabad, if the shares are held by them in physical mode. Further, it is also clarified that Company would be in compliance of provisions of Section 219(1) of the Companies Act, 1956, in case, a copy of Balance Sheet etc., is sent by electronic mail to its members subject to the above cited compliance.
8. Pursuant to Clause 49 of the Listing Agreement, the particulars of Directors seeking re-appointment at the meeting are annexed.
9. Company is also in receipt of complaints from various shareholders from time to time regarding non-receipt of Annual Report. In this connection, kind attention of the shareholders is drawn towards SEBI's Circular No. Cir/CFD/DCR/5/2010 dated 07.05.2010 read with amended Clause 31 of the Listing Agreement whereby filing of the soft copy of the full Annual Report to NSE and BSE by every listed company is made mandatory and in turn NSE and BSE is putting that Annual Report on its website for the reference and perusal of all the interested members. Hence, members may download the copy of full Annual Report of the Company from NSE/BSE website for their immediate reference and perusal. Further, Company is also maintaining a functional website in compliance with the Listing Agreement entered with the stock exchanges. Annual Report and other documents are available on the website of the Company for inspection.
10. It is also noticed that many members holding shares in physical mode are holding insignificant shares under multiple folios. In order to provide cost effective, faster and prompt service, all Members concerned are requested under relevant clause of Listing Agreement to get their shareholding consolidated in one folio only.
11. The Securities and Exchange Board of India has notified that the shareholders/transferee of shares (including joint holders) holding shares in physical form are required to furnish a certified copy of their PAN Card to the Company/RTA while transacting in the securities market including transfer, transmission or any other corporate action. Accordingly, all the shareholders/ transferee of shares (including joint holders) are requested to furnish a certified copy of their PAN Card to the company/RTA.
12. Members are requested to kindly bring their copies of the Annual Report to the Meeting. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting.
13. All mandatory registers / documents are open for inspection at the registered office of the Company on all working days (except Saturdays and Sundays) between 11.00 a.m. to 1.00 p.m. prior to the date of Annual General Meeting.

ANNEXURE – 1 TO THE NOTICE

Explanatory Statement

(Pursuant to Section 173 (2) of the Companies Act, 1956)

Item No. 5:

The Board at its meeting held on May 12, 2011, unanimously given consent for issuance of Guarantee favoring IL & FS Trust Company Limited in respect of a Term Loan of Rs.206 Crores to be availed by Viceroy Bangalore Hotels Private Limited for making payment towards consideration for acquiring 'Bangalore Project Division' of your Company and for completion of the said project. Accordingly, the Company has entered into an Agreement on July 07, 2011 in this regard and the Board of Directors of your Company also inform you that at the time of providing Corporate Guarantee, Viceroy Bangalore Hotels Private Limited is a Wholly Owned Subsidiary of your Company for which the provisions of Section 372A of the Companies Act, 1956 are not applicable. The Board of Directors of your Company further inform you that with effect from July 28, 2011 Viceroy Bangalore Hotels Private Limited has ceased to be Subsidiary of the Company on account of strategic equity investment infused by JPMorgan India Property Mauritius Company II. Upon cessation of Viceroy Bangalore Hotels Private Limited as Wholly Owned Subsidiary the provisions of Section 372A of the said Act are applicable for Guarantee given as aforesaid and therefore, the resolution passed by the Board at its meeting held on May 12, 2011 requires confirmation/ratification by the Members.

As required under Section 192A of the Act, read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 your Company seeks your confirmation/ratification of the board resolution passed in this regard through Special Resolution under Section 372A by means of postal ballot as specified in item no.5 annexed hereto. Accordingly, your Company has appointed Mrs. Shilpa Kotagiri, Practicing Company Secretary, Hyderabad as Scrutinizer for conducting the entire Postal Ballot process in a fair and transparent manner.

The Board further inform that Members desiring to exercise vote by Postal Ballot may complete the enclosed Postal Ballot Form and send it to the Scrutinizer in the enclosed self addressed Business Reply Envelope. Postage will be borne and paid by the Company. The envelope containing the Postal Ballot should reach the Scrutinizer not later than the close of working hours on September 24, 2011. The Scrutinizer will submit his report to the Chairman and Managing Director after completion of the scrutiny and the result of the Postal Ballot shall be announced in the ensuing 46th Annual General Meeting to be held on September 27, 2011. The result of the Postal Ballot will also be posted on the Company's website www.viceroyhotels.com besides communication to the Stock Exchanges where the Company's shares are listed and also through Paper Advertisement in at least one English and one Vernacular language newspaper circulating in Hyderabad and the resolution will be taken as passed effectively on the date of announcement of the results by the Chairman or such authorized person in his behalf, if the result of the Postal Ballot indicates that the requisite majority of the shareholders had assented to the respective Resolution.

Accordingly, the aforesaid guarantee and relevant Board resolution require confirmation of the members, copies of which are available for inspection at the Registered Office of the Company on any working day except public holidays, Saturdays and Sundays between 3.00 p.m. to 5.00 p.m. up to 24th September 2011.

Members are requested to communicate their assent or dissent in writing on the Postal Ballot form sent herewith in accordance with the instructions set out therein.

Your Directors commend the Special Resolution for members approval.

None of the Directors of the Company is in any way concerned or interested in the resolution.

By Order of the Board
For VICEROY HOTELS LTD

Hyderabad
August 13, 2011

SD/-
P. Lenin Babu
Company Secretary

ANNEXURE – 2 TO THE NOTICE

Details of Directors seeking re-appointment at the forthcoming AGM
(In Pursuance of Clause 49 (IV) (G) (i) of the Listing Agreement)

Particulars	Mr. K. Narasimha Rao	Mr. A. Poornachandra Rao
Date of Birth	July 22, 1961	March 01, 1950
Date of Appointment	December 20, 2005	September 2, 2002
Expertise in specific functional areas	Accounts, Finance & Retailing	Social Service
Qualifications	B. Com., CA Final	BJ, MA
No. of Shares held in the Company as on March 31, 2011	1,01,725	NIL
Directorships held in other companies (excluding private limited and foreign companies)	NIL	NIL
Positions held in mandatory committees of other companies	NIL	NIL

Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that the service of notice/ documents including Annual Report can be sent by e-mail to its members.

Members holding shares in dematerialized form are requested to provide/refresh/update their email address with their respective Depository Participants (DPs).

Members holding shares in physical form are requested to provide their email address to gogreen_vhl@aarthiconsultants.com or send requests to our RTA along with your folio number.

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 46th Annual Report of the Company together with the Audited Accounts for the year ended 31st March 2011.

Performance / Financial Results

(Rupees in Lakhs)

PARTICULARS	STANDALONE		CONSOLIDATED	
	2010-2011	2009-2010	2010-2011	2009-2010
Income from Operations	7360.99	6424.30	10965.94	9754.29
Profit before interest, depreciation and tax	3409.56	2915.00	4069.78	3577.23
Interest	2205.87	1755.02	2327.03	1955.56
Depreciation	1306.68	1148.87	1450.57	1292.26
Provision for Tax & Deferred Tax	125.71	148.02	212.61	212.44
Profit after Tax	(228.70)	(136.90)	79.57	116.97
Balance carried to Balance Sheet	1419.50	1648.19	2464.68	2385.12

Dividend

The Board does not recommend any dividend for the financial year.

Hiving-off 'Bangalore Project Division'

Your Directors have pleasure to inform you that the Company has successfully completed the hiving-off of 'Bangalore Project Division' to Viceroy Bangalore Hotels Private Limited on July 27, 2011 and your Company has been allotted 59,90,000 equity shares of Rs.10/- each at a price of Rs.78.96/- per share as a part consideration for the sale of the said Division. Your Directors also have pleasure to inform you that JPMorgan India Property Mauritius Company II has infused a strategic investment of Rs.74 Crores as a first trench out of Rs.90 Crores by subscribing 74,00,000 equity shares of Rs.10/- each at a price of Rs.100/- per share in the equity share capital of Viceroy Bangalore Hotels Private Limited. Consequent to which Viceroy Bangalore Hotels Private Limited ceased to be Subsidiary of your Company with effect from July 28, 2011 and will continue as an Associate Company. The Board is also pleased to inform you that the construction of Bangalore 'Renaissance' a 277 Room Five Star Deluxe Hotel is in advanced stage and expected to be operational in 2012.

Hiving-off 'Chennai Project Division'

Considering the various aspects and strategic viewpoint, the Board of Directors of your Company felt that it would be prudent to divest 'Chennai Project Division' comprising 'Chennai Hotel Project' and 'Chennai Residential Project' to pay-off its debts substantially as well as utilize in the growth of the business of your Company and accordingly the Shareholders of the Company have accorded their consent by way of postal ballot conducted on June 03, 2011 for hiving-off the said Project on slump sale basis as going concern and the said slump sale is expected to be completed in the FY 2011-2012. This will not only result in reduction of debt to the tune of Rs.450 Cr. but also will give Rs.100 Cr. of inflows into the Company.

Directors

The Board of Directors regret to inform about sudden demise of Mr. P. Shivakumar Reddy on February 23, 2011 and the Board recorded its gratitude and deep condolence in this regard.

Mr. K. Narasimha Rao and Mr. A. Poornachandra Rao retire by rotation and being eligible, offered themselves for re-appointment and brief particulars of these persons, are given in the Explanatory Statement to the Notice of this Meeting. The Board commends their re-appointment as Directors of the Company.

Directors' Responsibility Statement

In pursuance of Section 217(2AA) of the Companies Amendment Act, 2000 your directors confirm

- i) That the directors in the preparation of the annual accounts the applicable accounting standards have been followed along with proper explanations relating to material departures.
- ii) That the directors had 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 at the end of the financial year.
- iii) That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safe guarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv) That the directors had prepared the annual accounts on the going concern basis.

Auditors

M/s. P. Murali & Co., Chartered Accountants, Hyderabad, the present auditors of the Company, retire at the forthcoming Annual General Meeting and are eligible for re-appointment as auditors. Members are requested to re-appoint them and fix their remuneration. The Company has received confirmation from the firm to the effect that their reappointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and they are not disqualified for re-appointment within the meaning of Section 226 of the said Act. The Audit Committee of the Board has recommended their re-appointment.

Particulars of Employees

No employee was in receipt of remuneration exceeding the limits prescribed under section 217(2A) of the Companies Act, 1956 and the rules framed there under, as amended to date.

Information required under Section 217 (1) (e) of the Companies Act 1956 read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988

Your Company's effort towards conservation of energy, which results in savings in consumption of electricity, a significant component of the energy cost, is an ongoing process. The Company continues to absorb and upgrade modern technologies and advanced hotel management techniques in various guest contact areas, which include wireless internet connectivity in the hotels.

As required under Section 217(1) (e) of the Companies Act, 1956, read with rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the information relating to foreign exchange earnings and outgo is in item nos 8,9 & 10 of Notes to Accounts of the Balance Sheet and Profit and Loss Account.

Compliance with Notification No. S.O. 301(E) dated 8th February, 2011 issued by the Ministry of Corporate Affairs under Section 211(3) of the Companies Act, 1956

Since Central Government had issued a notification No. S.O. 301 (E) dated 8th February, 2011 in exercise of the powers conferred by Section 211 (3) of the Companies Act, 1956 granting general exemption to some specified class of companies, including hotel companies, from disclosing certain information in their profit and loss account as required under Part-II of Schedule VI of the Companies Act, 1956 subject to fulfilment of few conditions, your Company has duly complied with all conditions of the notification to seek general exemption under Section 211 (4) of the Companies Act, 1956, paras 3(i)(a) and 3(ii)(d) of Part II of Schedule VI of the

Companies Act, 1956 dealing with the disclosure of quantitative details of turnover of each class of goods, opening and closing stock, purchases, production and consumption of raw material in the financial statements for the financial year ended 31st March, 2011. Your Board has passed necessary resolution at its meeting held on August 13, 2011 to comply with the conditions of the notification for the same.

Public Deposits

During the year under review, your company has neither invited nor accepted any deposits from the public.

Listing

The Equity Shares of your Company are listed on Bombay Stock Exchange Limited and the National Stock Exchange of India Limited. It may be noted that there are no payments outstanding to the Stock Exchanges by way of Listing Fees, etc.

Corporate Governance

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

Management Discussion & Analysis

Management discussion and analysis of the financial condition and results of operations of the Company for the period under review as required under Clause 49 of the Listing Agreement with the Stock Exchanges, is given in a separate statement in the Annual Report.

Employee Relations

The relationship with the employees continues to be cordial. The Directors would like to place on record their appreciation of the services rendered by all the employees of the Company.

Subsidiaries

Viceroy Bangalore Hotels Private Limited:

During the financial year under review, your Company has entered into a Business Transfer Agreement (BTA) with its wholly owned subsidiary namely 'Viceroy Bangalore Hotels Private Limited' for transfer of 'Bangalore Project Division' on slump sale basis as a going concern. Accordingly, your Company has transferred the said Division on July 27, 2011 and as a part consideration the said Company has allotted 59,90,000 equity shares of Rs.10/- each at a price of Rs.78.96/- per share.

Your Directors also have pleasure to inform you that JPMorgan India Property Mauritius Company II has infused a strategic investment of Rs.74 Crores as a first trench out of Rs.90 Crores by subscribing 74,00,000 equity shares of Rs.10/- each at a price of Rs.100/- per share in the equity share capital of Viceroy Bangalore Hotels Private Limited. Consequent to which Viceroy Bangalore Hotels Private Limited ceased to be Subsidiary of your Company and will continue as an associate company with effect from July 28, 2011.

Currently, Viceroy Bangalore Hotels Private Limited is establishing and developing a 277 Room First Class business hotel to be branded as "Renaissance" at Race Course Loop Lane, Bangalore.

Viceroy Chennai Hotels & Resorts Private Limited:

During the financial year under review your Company has incorporated on June 04, 2010 a wholly owned subsidiary namely 'Viceroy Chennai Hotels & Resorts Private Limited' and there were no operations commenced as on date.

Minerva Hospitalities Private Limited:

Minerva Hospitalities Private Limited has no operations during the year.

Café D Lake Private Limited:

Café D'Lake Private Limited which operates all the restaurants businesses of Minerva Coffee-shop, Blue Fox Bar & Restaurant, Eat Street and Water Front has achieved a turnover of Rs. 29.90 Crores for the year ended 31st March 2011 as against Rs.28 Crores for the previous year. The Net profit for the year ended 31st March 2011 is Rs.2.85 Crores as against Rs.2.82 Crores.

Crustum Products Private Limited:

Crustum Products Private Limited is the Master Franchisee of Breadtalk Singapore. The Company is running out lets at In Orbit Mall, Malad, Mumbai, BG House, Hiranandani, Powai, Mumbai, Gurgoan, New Delhi, Spencer's Mall, Bangalore Q Mart- Hyderabad.

During the year under review, the company achieved a turnover of Rs.6.14 Crores as against Rs.5.30 Crores for the previous year. The Net profit for the year ended 31st March 2011 is Rs.23.26 Lakhs as against net loss of Rs.28.16 Lakhs.

In terms of section 212 of the Companies Act, 1956, your Company is required to attach the directors report, balance sheets, profit and loss account of its subsidiary companies to its Annual Report. However, the Ministry of Corporate Affairs (MCA), Government of India, New Delhi vide its Circular No.2/2011, dated: 08-02-2011 has granted a general exemption to all the Companies for not attaching the above documents of subsidiaries with the Annual Report of the Holding Company, subject to compliance of the conditions specified therein. As required under the said general circular, the Board of Directors of your Company at its meeting held on August 13, 2011 has given its specific consent for not attaching the balance sheets of its subsidiaries, as they would be made available to its members at the company's website.

In terms of the said notification of the MCA, a summary of the financial information of each of the subsidiaries of your Company is provided as Annexure "A" to this report. Any member intends to have a certified copy of the Balance Sheet and other financial statements of these subsidiaries may write to the Company. Accordingly, this annual report does not contain the reports and other statements of the subsidiary companies. These documents will also be available for inspection during the business hours at the registered office of the company and also at the registered offices of the respective subsidiary companies.

Acknowledgements

Your Directors acknowledge with gratitude and wish to place on record their sincere thanks and appreciation for the co-operation received by the Company from various Departments of Central/ State Government, Financial Institutions and Banks for their continued co-operation and the support extended during the year. Your Directors also wish to acknowledge the continued support and confidence reposed in the management by the Shareholders.

By Order and on behalf of the Board

Hyderabad
August 13, 2011

SD/-
P. PRABHAKAR REDDY
CHAIRMAN

Annexure – A to Directors’ Report

Statement pursuant to Section 212 (8) of the Companies Act, 1956 about the financial information of the Subsidiary Companies as on March 31, 2011

Rs. in Lakhs

Name of the Subsidiary company	Café D' Lake Pvt. Ltd.	Crustom Products Pvt. Ltd.	Minerva Hospitalities Pvt. Ltd.	Viceroy Bangalore Hotels Pvt. Ltd.	Viceroy Chennai Hotels & Resorts Pvt. Ltd.
Issued and Subscribed Share Capital	274.45	400.00	466.92	1.00	1.00
Reserves	1512.04	15.35	(52.97)	-	-
Total Assets	4787.77	2728.81	774.66	17.48	1.00
Total Liabilities	3001.28	2313.46	360.71	16.48	-
Details of Investment (Except in case of investment in subsidiaries)	-	-	-	-	-
Turnover/Total Income	2990.21	614.37	0.37	-	-
Profit before taxation/(Loss)	358.22	36.57	0.37	-	-
Provision for taxation	73.58	13.31	-	-	-
Profit after taxation/loss	284.64	23.26	0.37	-	-
Proposed dividend	-	-	-	-	-
Number of shares held by Viceroy Hotels Limited along with its nominees	27,44,530	40,00,000	46,69,267	10,000	10,000
Extent of interest held by Viceroy Hotels Limited along with its nominees	100%	100%	100%	100%	100%

Notes:

1. The Ministry of Corporate Affairs (MCA), Government of India, New Delhi vide its Circular No.2/2011, dated 08-02-2011 has granted a general exemption to all the Companies for not attaching the Balance Sheets, Profit & Loss account etc., of Subsidiaries with the Annual Report of the Holding Company, Subject to the compliance of the conditions specified therein.
2. The Company will make available the Annual Accounts of the Subsidiary Companies and the related detailed information sought by the members of the company or its subsidiaries. Further, the annual accounts of the subsidiary companies will also be kept for inspection by any member of the company or its subsidiary at the registered office of the company and that of the subsidiary company concerned.

MANAGEMENT DISCUSSION & ANALYSIS

Industry Structure, Development, Opportunities and Outlook

The global recession started in 2008 is still continuing and the economic uncertainty across all the countries in the world has severely affected the growth prospects in the world, particularly for developing countries like India. Interest rates increased by banks as result of RBI's frequent upward revision is putting tremendous pressure on the profitability of the companies and affecting the growth prospects severely. Until the inflation is brought down under control, there is unlikelihood of interest rates coming down. In spite of all these negatives, India is perceived by global investors as a growing economy and is considered as a better choice to invest. In this background, we can expect the economic revival in our country much sooner than the other countries. In spite of global recession and the slowdown in the economic growth, the average annual growth rate in tourism in India over the past 5 years has been 9% which is really commendable. The number of foreign tourist that arrived in India last year was 5.6 million. But China had 55 million tourists last year and Hong Kong City alone had 20 million. So opportunity for growth in tourism is extremely high in India. Hotel industry is one of the largest foreign exchange earners to the country and also one of the largest employers, both directly and indirectly. The fortunes of the hotel industry have always been linked to the prospects of the tourism industry and tourism is the foremost demand driver of the industry. Construction of hotels is primarily a private sector activity which is capital intensive and has a long gestation period. The industry is characterized significantly by high seasonality, labour intensive, fragmented, security threats, classification of hotels, highly capital intensive nature, high tax structure, non-uniformity in taxes and highly sensitive to the external factors like economy, terrorism and political status. The demand for the hotel rooms is driven by the rise in the number of the domestic and as well as the foreign tourists. The demand for the foreign tourists is driven by the level of growth in Global GDP, increased business activities of other nations with India, growing number of tourist destinations, rise in trade and sporting events, and marketing efforts.

Growth in tourism will result in an increase in demand for hotel room and also increase in food and beverage business. Also the hospitality industry faces risks from the socio-political environment, internationally as well as within the country and is affected by events like political instability, conflict between nations, threat of terrorist activities, occurrence of infectious diseases, extreme weather conditions and natural calamities etc., which may affect the level of travel and business activity. Further increase/volatility in domestic air fares affects the hotels industry through reduced leisure travel and occupancies.

The constraints being faced by the hotel industry in addition to the high cost and limited availability of land is the procurement of multiple clearances/approvals which are required from the Central and the State Government agencies for hotel projects. This often results in delay in the implementation of the project, cost escalation etc. To obviate the above mentioned difficulties faced by the hotel industry, Ministry of Tourism, Government of India has set up a Hospitality Development and Promotion Board (HDPB). The main function of HDPB includes monitoring and facilitating the clearances/approvals of Hotels Projects both at the Central, the State Government and the UTs level. HDPB would be a single point for receiving applications for various clearances, approve/clear hotel project proposals in a time bound manner and review hotel project policies to encourage the growth of hotel/hospitality infrastructure in the country. The growing hospitality industry of the country is facing shortage of skilled manpower. The Ministry of Tourism, Government of India has, therefore, launched a programme of training course of 8 weeks of youth (Hunar Se Rozgar Tak) through IHM, Food Craft Institutes and private sector hotels to create employable skills.

Diversification holds the key to survival in the long run. The hotel industry isn't behind. Spas are appearing at hotel properties at a remarkable rate and are becoming independent profit centers. Cafes, lounges and bars which have high profit margins, are increasing their presence in several hotels. Hotels are adapting to innovative operating models by bringing in external brands of restaurants, spas and lounges on lease or management contracts. Success and popularity of restaurants, spas and lounges within hotels enables these players to become individual profit centres and move out of hotels as separate chains and thereby expand their presence in the market.

The outlook for the hospitality market in India is optimistic and will continue to remain so, in our opinion. The economy's buoyancy, initiatives to improve infrastructure, growth in the aviation and real estate sectors and easing of restrictions on foreign investment will fuel demand for hotels across star categories in the majority of markets. India's hotel industry is increasingly being viewed as investment-worthy, both within the country and outside, and several international chains are keen to establish or enhance their presence here. We anticipate that, over the next three to five years, India will emerge as one of the world's fastest growing tourism markets and will be hard to ignore. During the year 2012, the focus of the Company will be to expand its presence both in terms of geography and the socio-economic segments that it addresses. Therefore, the company's outlook for 2011-12 is optimistic.

With substantial reduction in debt, your Company will have enough resources to embark on the future expansion. As your Company is having vast experience of more than 25 years in the restaurant business, and plan to roll-out more F&B outlets in all major metros in the country. Your Company is having 2 very popular restaurant chains namely "Blue Fox" and "Minerva Coffee Shop" and also have master franchise of Boutique Bakery called "BreadTalk". The Company already have 7 branches and in next 3 years and plan to have 50 outlets. Similarly, your Company will be looking at establishing Budget Hotels in Tier-2 and 3 cities in the country. With a current shortage of 1 lakh branded rooms, the Indian Markets appetite for quality hotel rooms is

only expected to head north ward. The long-term outlook for Budget Hotels in India remains positive, given the country's burgeoning middle class and increasing disposable incomes. The substantial increase in investments in infrastructure, demand is expected to be robust. The year 2012 would see emergence of 'Renaissance' hotel at Bangalore which is constructing and developing by the Company's Associate namely 'Viceroy Bangalore Hotels Private Ltd'.

Financial Performance

The Company operates only in single segment i.e., hoteliering.

During the financial year 2010-11, the Company's total turnover was Rs.73.61 Crores. The Earning before Interest, Depreciation, Taxation and other Amortizations (EBIDTA) were Rs.34.09 Crores. The Loss before Tax and the Loss after Tax for the year under review were Rs.1.03 Crores and Rs.2.29 Crores respectively.

The Company's consolidated total income aggregated Rs.109.66 Crores. The Company's consolidated profit before taxes aggregated Rs. 292.18 Crores in the financial year 2010-11.

Risks and Concerns

Economic Risk

The company's performance is highly reliant on the growth of business and economy in the country. The brake in economic growth in the country may have severe affect on the company's business. The GDP growth is expected to surge to 8.5% by FY12, driven by the robust industrial growth and resilient performance of the service sector. The country's consumption boom is brushing up and new job opportunities are lining upwards. With all these factors, the Company does not expect to be significantly affected by this risk.

Occupancy Risk

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

Project Implementation Risk

Your Company may be impacted by delays in implementation of projects which would result in increasing project cost and loss of potential revenue. To mitigate this risk, the Company has in place an experienced project team supported by the leading external technical consultants. The Company will endeavour to complete its projects on time at optimal cost so as to maximize the profitability.

Human Resource Risk

One of the greatest challenges plaguing the hospitality industry is the unavailability of quality workforce in different skill levels. The hospitality industry has failed to retain good professionals. Retention of the workforce through training and development in the hotel industry is a problem and attrition levels are too high. One of the reasons for this is unattractive wage packages. Though there is boom in the service sector, most of the hotel management graduates are joining other sectors like retail and aviation.

Foreign Exchange Risk

Your Company may be impacted by the fluctuation of the Indian Rupee against other foreign currencies. To mitigate this risk the Company has migrated to single currency billing in Indian Rupees.

Internal Control Systems and their Adequacies

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

Material Developments in Human Resources

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

Cautionary Statement

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

REPORT ON CORPORATE GOVERNANCE

I. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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

II. BOARD OF DIRECTORS

As on March 31, 2011, Viceroy's Board consists of 8 Members of whom 5 (Five) are Independent Directors. The Composition of the Board is in conformity with the listing requirements.

Board Meetings:

The Board of Directors met ten (10) times during the financial year on 30-04-2010, 04-06-2010, 30-07-2010, 26-08-2010, 13-11-2011, 17-12-2010, 12-01-2011, 14-02-2011, 10-03-2011, and 26-03-2011 and the maximum gap between any two meetings was less than four months, as stipulated under Clause 49.

The details of directors' attendance at Board Meetings, AGM and details of other directorships, committee chairmanships/memberships held by the Directors during the year are as follows:

Name of the Director	Category and Designation	Board Meetings attended during the year	No. of directorships held in other Indian public limited companies	No. of Committee positions held in other companies	
				Chairman	Member
Mr. P. Prabhakar Reddy	Promoter and CMD	10	02	NIL	NIL
Mr. K. Jayabharat Reddy	NED (I)	06	07	NIL	NIL
Mr. R. Subramanian	NED (I)	05	NIL	NIL	NIL
Mr. Rakesh Jhunjunwala	NED	NIL	09	NIL	01
Mr. P. Narendra	NED (I)	06	01	NIL	NIL
Mr. A. Vijayavardhan Reddy	NED	10	01	NIL	NIL
Mr. A. Poornachandra Rao	NED (I)	10	NIL	NIL	NIL
Mr. P. Shiva Kumar Reddy *	NED	NIL	NIL	NIL	NIL
Mr. K. Narasimha Rao	NED (I)	10	NIL	NIL	NIL
Mr. Rajiv Agarwal	NED, Alternate to Mr. Rakesh Jhunjunwala	NIL	04	NIL	01

NED: Non Executive Director; NED (I): Non Executive Independent Director; CMD: Chairman and Managing Director

* Mr. P. Shiva Kumar Reddy ceased to be Director with effect from February 23, 2011.

Attendance for AGM 2010: Mr. P. Prabhakar Reddy, Mr. A. Vijayavardhan Reddy, Mr. A. Poornachandra Rao, and Mr. K. Narasimha Rao attended the last Annual General Meeting held on September 20, 2010.

III. AUDIT COMMITTEE

Composition, meetings and the attendance during the year:

The Company has complied with all the requirements of Clause 49 (II) (A) of the Listing Agreement relating to the composition of the Audit Committee. During the financial year 2010-2011, (7) seven meetings of the Audit Committee were held on 29-04-2010, 29-07-2010, 12-11-2010, 17-12-2010, 12-01-2011, 12-02-2011, and 10-03-2011.

Details of the composition of the Committee and attendance of the members at the meetings:

Name	Designation	Category	No. of meetings attended
Mr. K. Narasimha Rao	Chairman	NED (I)	7
Mr. A. Vijayavardhan Reddy	Member	NED	6
Mr. A. Poornachandra Rao	Member	NED (I)	7

The Managing Director, CFO and the Statutory Auditors are also invited to the meetings.

Terms of reference:

The terms of reference of the Committee, inter alia covers all the matters specified under Clause 49 of the Listing Agreement with the Stock Exchange as well as those specified in Section 292 (A) of the Companies Act, 1956. Besides, in additions to other terms as may be referred by the Board of Directors, the Audit Committee has the power inter alia, to investigate any activity within its terms of reference and to seek information from any employee of the Company and seek legal and professional advice.

IV. REMUNERATION OF DIRECTORS

Details of remuneration paid to Directors are given below:

Director	Relationship with other Directors	Business relationship with Viceroy, if any	Loans and advances from Viceroy	Remuneration			
				Sitting fees	Salary	Commission	Total
P. Prabhakar Reddy	Relative to Mr. A. Vijayavardhan Reddy	Promoter	Nil	Nil	30,00,000	Nil	30,00,000
K. Jayabharat Reddy	None	Nil	Nil	30,000	--	--	30,000
R. Subramanian	None	Nil	Nil	25,000	--	--	25,000
A. Vijayavardhan Reddy	Relative to MD	Nil	Nil	50,000	--	--	50,000
P. Narendra	None	Nil	Nil	30,000	--	--	30,000
A. Poornachandra Rao	None	Nil	Nil	50,000	--	--	50,000
K. Narasimha Rao	None	Nil	Nil	50,000	--	--	50,000

V. INVESTOR GRIEVANCE COMMITTEE

Composition, meetings and the attendance during the year:

The Shareholders/Investors Grievance Committee was constituted to look into the redressing of Shareholders and Investors complaints concerning transfer of shares, non receipt of Annual Reports, and non receipt of Dividend and other allied complaints.

The Details of composition of the Committee and attendance of the members at the meetings are given below:

Name of the Director	Designation	Category
Mr. A. Vijayavardhan Reddy	Chairman	NED
Mr. K. Narasimha Rao	Member	NED (I)
Mr. A. Poornachandra Rao	Member	NED (I)

The Board has designated Mr. P. Lenin Babu, Company Secretary as the Compliance Officer.

The Company has designated exclusive e-mail Ids called secretarial@viceroyp-hotels.com and companyssecretary@viceroyp-hotels.com for redressal of shareholders complaints/grievances.

Complaints received and redressed by the Company during the financial year:

During the year under review, (10) ten complaints of general nature were received from the shareholders which were attended promptly and replied/resolved to the satisfaction of the concerned shareholders. There were no pending complaints at the close of the financial year.

VI . GENERAL BODY MEETINGS

Details of location, date and time of Annual General Meetings held during the last three years:

Financial Year	Venue	Date and Time
2007-2008	Hotel Marriott Convention Centre, Hyderabad	15-09-2008 11.00 AM
2008-2009	Hotel Marriott Convention Centre, Hyderabad	29-09-2009 11.00 AM
2009-2010	Hotel Marriott Convention Centre, Hyderabad	20-09-2010 11.00 AM

- No Special Resolutions were passed in the previous three Annual General Meetings.
- No Ballots Papers were used for voting at above meetings.
- No Special Resolution was passed in the financial year under review through postal ballot. However, the Company has passed 2 Ordinary Resolutions on February 24, 2011 through postal ballot process for hiving-off the 'Bangalore Project Division' in terms of Section 293 (1) (a), and for enhancing the borrowing powers of the Board in terms of 293 (1) (d) of the Act.

Further, a Special Resolution under item no.5 to the Notice is proposed to be passed through postal ballot for obtaining confirmation/ratification of the Shareholders in respect of the resolution passed by the Board at its meeting held on May 12, 2011 under Section 372A of the Companies Act, 1956 deciding to provide corporate guarantee in favour of IL & FS Trust Company Limited in respect of Term Loan of Rs.206 Crores sanctioned by IL & FS Financial Services Limited to Viceroy Bangalore Hotels Private Limited (a Wholly Owned Subsidiary of the Company up to July 27, 2011). The Company has appointed Mrs. Shilpa Kotagiri, Company Secretary in whole-time practice, as Scrutinizer to conduct the Postal Ballot exercise in a fair and transparent manner.

VII. OTHER DISCLOSURES

- (a) There were no significant related party transactions that may have potential conflict with the interests of the Company at large.

- (b) In the preparation of financial statements, no treatment materially different from that prescribed in Accounting Standards had been followed.
- (c) There were no penalties or strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets at any time during the last 3 years.
- (d) The Company has complied with all the mandatory requirements of Clause 49.
- (e) There were no material pecuniary relationships or transactions of the non-executive directors vis-à-vis the Company, other than payment of Board fees/commission and investments (if any) in shares / securities of the Company.
- (f) Managing Director and Chief Financial Officer (CFO) of the Company has furnished the requisite Certificate to the Board of Directors under Clause 49 of the Listing Agreement.

VIII. MEANS OF COMMUNICATION

The un-audited quarterly results and audited results for the year are generally published in one English newspaper 'Business Standard' and at least one vernacular newspaper 'Andhra Prabha' shortly after its submission to the Stock Exchanges. The results are also displayed on the company's web-site i.e. www.viceroyhotels.com

IX. GENERAL SHAREHOLDERS INFORMATION

a) 46th Annual General Meeting:

Date and Time	Tuesday, the 27th September 2011 at 11.00 AM
Venue	Hotel Marriott Convention Centre, Lower Tank Bund, Hyderabad- 500080, AP

b) Book Closure Date : September 20, 2011 to September 27, 2011 (inclusive of both days)

c) Financial Year and Calendar 2011-2012:

The Company follows April to March as its Financial Year. The results of every quarter beginning from April are declared within the time specified under the provisions of the Listing Agreement.

d) Listing on Stock Exchanges:

- 1) National Stock Exchange of India Limited (NSE)
- 2) Bombay Stock Exchange Limited (BSE)

e) Listing Fees : Listing fee for the year 2011-2012 has been paid

f) Stock Code : NSE: VICEROY ; BSE: 523796

g) ISIN : INE048C01017

h) Stock Price Data:

MONTH	NSE			BSE		
	High (Rs.)	Low (Rs.)	No. of Shares Traded	High (Rs.)	Low (Rs.)	No. of Shares Traded
April 2010	50.70	41.00	2386181	50.95	42.30	2029747
May 2010	46.50	37.60	545508	46.55	37.65	714006
June 2010	52.80	38.00	1605054	52.50	38.60	1387352
July 2010	59.90	46.90	3157504	60.00	46.90	3088828
August 2010	58.95	46.15	1670830	59.00	46.15	1558907
September 2010	56.85	47.10	4607739	56.85	47.00	3158694
October 2010	52.00	42.80	948491	52.00	43.00	926223
November 2010	51.40	39.60	1677628	51.65	39.30	1487532
December 2010	45.00	33.10	891081	44.30	33.65	739200
January 2011	44.80	32.00	1548077	45.00	32.00	1124341
February 2011	39.40	25.05	1169795	39.00	26.05	845408
March 2011	38.90	31.40	1747961	38.90	31.20	1168410

i) Registrar & Share Transfer Agents (for both physical and demat mode):

Aarhi Consultants Private Limited
 1-2-285, Domalaguda, Hyderabad- 500029
 Phones: 040-27638111, 040-66611921
 Fax: 040-27632184
 Email: info@aarhiconsultants.com
 Website: www.aarhiconsultants.com

j) Share Transfer System:

Share transfer requests, which are received in physical form, are processed and the share certificates returned within a period of 15 days in most cases, and in any case within 30 days, from the date of receipt, subject to the documents being in order and complete in all respects.

The Company appointed Aarhi Consultants Private Limited as the Registrar and Transfer Agents for dealing with all the activities connected with both physical and demat segments pertaining to the share transactions of the Company.

All the requests for Dematerialization and shares are processed and the confirmation is given to the respective Depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within 21 days on receipt.

k) Shareholding Pattern as on 31st March, 2011:

Category	No. of Shares	Percentage
Promoters	13602794	32.09
Institutional Investors	10100	0.02
Bodies Corporate	7616022	17.96
Foreign Institutional Investors	145000	0.34
NRIs, and OCBs	1597891	3.77
Mutual Funds	NIL	NA
Indian Public	19433417	45.83

l) Distribution of Shareholding as on 31st March, 2011:

Nominal Value of Shares in Rupees		No. of Shareholders	% of Shareholders	Shares Amount	% to Total
(1)	(2)	(3)	(4)	(5)	
1	5000	22019	86.00	32529140	7.67
5001	10000	1837	7.15	15658800	3.69
10001	20000	810	3.15	12763050	3.01
20001	30000	288	1.12	7505460	1.77
30001	40000	137	0.53	4874250	1.15
40001	50000	147	0.57	7002780	1.65
50001	100000	221	0.86	16451060	3.88
100001 and above		222	0.86	327267700	77.18
Total		25681	100.00	424052240	100.00

m) Dematerialization of Shares:

The Company's Equity Shares are held in dematerialized form by National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL) under ISIN INE048C01017. As on 31st March, 2011, 93.10% of the totals shares of the Company have been dematerialized.

n) Outstanding: GDR/ADR/Warrants/Options/any convertible instruments:

As on March 31, 2011 the Company has no outstanding GDR/ADR/Warrants/Options/any other convertible instruments.

o) Location of Hotels, Restaurants, and Projects under execution:

Hotels:

- 1) Hotel Marriott at Lower Tank Bund Road, Hyderabad
- 2) Hotel Courtyard at Lower Tank Bund Road, Hyderabad

Restaurants under wholly owned subsidiaries:

- 1) Eat Street & Water Front Restaurants at Necklace Road, Hyderabad
- 2) Minerva Coffee Shops at Hyderabad and Vijayawada
- 3) Bluefox Bar & Restaurants at Hyderabad and Vijayawada
- 4) BreadTalk outlets at Hyderabad, Mumbai, Bangalore and Gurgaon

Projects under execution:

- 1) A 277 Room First Class Five Star Hotel to be branded as "Renaissance" at Race Course Loop Lane, Bangalore (*being executed by an Associate Company*)
- 2) A 387 Room Five Star Super Luxury Hotel to be branded as 'JW Marriott' at MRC Nagar, RA Puram, Chennai (*being executed by the Company*)

p) Address for Investors Correspondence:

Shareholders may address their communications/suggestions/grievances/queries pertaining to share transfer/demat including physical transfer requests and demat requisition forms, to the Company's Registrar and Share Transfer Agents and/or to the Company at the following address:

Registrar and Share Transfer Agents (RTA):

Aarathi Consultants Private Limited
1-2-285, Domalaguda, Hyderabad- 500029
Tel: 040-27638111, 040-66611921 ; Fax: 040-27632184
Email: info@aarthiconsultants.com
Website: www.aarthiconsultants.com

Company:

Viceroy Hotels Limited
8-2-120/115/14, 5th Floor, Shangrila Plaza
Road No.2, Banjara Hills, Opp. KBR Park, Hyderabad – 500034
Tel: 040-40349999 ; Fax: 040-40349828
Email: secretarial@viceroyhotels.com AND companysecretary@viceroyhotels.com

Registration of e-mail Id for servicing of documents by the Company under the Companies Act, 1956:

Members holding shares in dematerialized form are requested to provide/refresh/update their email address with their respective Depository Participants (DPs). And Members holding shares in physical form and who are desirous of receiving the Annual Reports / communication / documents in electronic form are requested to provide their email address to gogreen_vhl@aarthiconsultants.com or send requests along with your folio no. to our RTA at above mentioned address.

q) CEO Certification:

As required by the clause 49 (V) of the Listing Agreement, the certificate from the Managing Director was placed before the Board of Directors.

r) Compliance Certificate of the Auditors:

The Statutory Auditor has certified that the Company has complied with the conditions of the Corporate Governance as stipulated in clause 49 of the listing agreement and the same forms part of the Annual Report. The Certificate from the statutory auditor will be sent to the stock exchange along with the Annual Report of the Company.

s) Nomination facility:

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

DECLARATION BY MANAGING DIRECTOR / CEO

I, P. Prabhakar Reddy, Managing Director of Viceroy Hotels Limited hereby declare that all the board members and senior managerial personnel have affirmed for the year ended 31st March, 2011 compliance with the code of conduct of the Company laid down for them.

Hyderabad
August 13, 2011

SD/-
P. PRABHAKAR REDDY
MANAGING DIRECTOR

Certificate by CEO / CFO

Pursuant to the provisions Clause 41 of the Listing Agreement with the Stock Exchanges, it is hereby certified that for the year ended March 31, 2011:

- a. We have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief :
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit committee
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Hyderabad
August 13, 2011

SD/-
P. PRABHAKAR REDDY
MANAGING DIRECTOR

SD/-
K. GURAVA RAJU
CHIEF FINANCIAL OFFICER

Auditor's Certificate on compliance of conditions of Corporate Governance

To the Members of Viceroy Hotels Limited

We have read the report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance condition of corporate governance of Viceroy Hotels Limited ("the Company") for the year ended 31st March, 2011 as stipulated in clause 49 of the listing agreement of the said Company with the stock exchanges.

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

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

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

Hyderabad
August 13, 2011

P. MURALI & CO
Chartered Accountants
Firm's Regn. No. : 007257S

SD/-
P. MURALI MOHANA RAO
Partner
Membership No. 23412

AUDITOR'S REPORT

To,
The Members,
VICEROY HOTELS LTD

We have audited the attached Balance Sheet of VICEROY HOTELS LIMITED as at 31st March, 2011 and also the Profit & Loss Account for the period ended on the date annexed thereto and the cash flow statement for the period ended on that date. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement presentation. We believe that our audit provides a reasonable basis of our opinion.

As required by the Companies (Auditors Report) Order 2003, issued by the Central Government of India in terms of the sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the Annexure referred to above, we report that:

- (I) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our Audit ;
 - (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books ;
 - (iii) The Balance Sheet & Profit & Loss Account dealt with by this report are in agreement with the books of account ;
 - (iv) In our opinion, the Balance Sheet & Profit & Loss Account dealt with by this report comply with the Accounting standards referred to in sub-section (3C) of Section 211 of Companies Act, 1956 ;
 - (v) On the basis of written representations received from the Directors, as on 31st March , 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed Director in terms of clause(g) of sub-section(1) of section 274 of the Companies Act,1956 ;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India ;
 - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - (b) In the case of the Profit & Loss Account, of the loss for the period ended on that date;
- And
- (c) In the case of the Cash Flow, of the cash flows for the period ended on that date.,

For P.MURALI & CO.,
Chartered Accountants
Firm's Regn. No. : 007257S

Hyderabad
August 13, 2011

SD/-
P.MURALI MOHANA RAO
PARTNER
Membership No. 23412

Annexure to the Auditor's Report

- I. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- (b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies between the book records and the physical inventory have been noticed on such verification.
- (c) The Company has not disposed off substantial part of the Fixed Assets during the year.
- II. (a) The Inventory has been physically verified during the year and in our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of the physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.

The Company is maintaining proper records of inventory and as explained to us, no material discrepancies were noticed on physical verification of stocks as compared to book records.

- III. The Company has granted and taken loans, unsecured to / from Companies, Firms or other Parties covered in the register maintained U/s.301 of the Companies Act, 1956 and registers are being maintained by the company.

The Company has granted loans, the rate of interest & other term and conditions on which loans have been granted to parties listed in the register maintained under section 301 is not prejudicial to the interest of the Company.

The loans are granted by company, the clause of receipt of interest & principal amount from parties, are not prejudicial to the company.

The loans have been granted to Companies, Firms & other parties listed in the register U/s.301 of the Companies Act, 1956, and there is no overdue amount of loan

The Company has taken loans, unsecured from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 and registers are being maintained.

The Company has taken loans, and the rate of interest & other terms and conditions on which loans have been taken from parties listed in the register maintained under section 301 is not prejudicial to the interest of the company.

The repayment of interest & principal amount to parties, are not prejudicial to the company.

- IV. In our opinion and according to the information and explanations given to us, there are generally adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for sale of goods.

There is no continuing failure by the company to correct any major weaknesses in internal control.

- V. (a) In our opinion and according to the information and explanation given to us, there are no transactions made by the company in respect of any party in the financial year and hence the maintenance of registrar under section 301 of the Companies Act, 1956 does not arise.
- (b) According to the information and explanations given to us, as there are no transactions made by the company, hence the charging of reasonable price does not arise.

- VI. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 58A and 58AA of the Companies Act, 1956 and the Companies(Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from public. No order is passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- VII. In our opinion, the company is having internal audit system, commensurate with its size and nature of its business.
- VIII. In respect of the Company, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section(1) of section 209 of the Companies Act, 1956.
- IX. a) The Company is regular in depositing statutory dues including PF, ESI, Income Tax, and any other statutory dues with the appropriate authorities and at the last of the financial year there were no amounts outstanding which were due for more than 6 months from the date they became payable.
b) According to the information and explanations given to us, no undisputed amounts are payable in respect of PF, ESI, Income Tax, and any other statutory dues as at the end of the period, for a period more than six months from the date they became payable.
- X. The Company has been registered for a period of not less than 5 years, and the company has no accumulated losses at the end of the financial year and the company has not incurred cash losses in this financial year and in the immediately preceding such financial year.
- XI. According to information and explanations given to us, the Company has not defaulted in repayment of dues to financial Institutions or banks.
- XII. According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities and hence the applicability of the clause regarding maintenance of adequate documents in respect of loans does not arise.
- XIII. This clause is not applicable to this Company as the Company is not covered by the provisions of special statute applicable to Chit Fund in respect of Nidhi/Mutual Benefit Fund/Societies.
- XIV. According to the information and explanations given to us, the company is not dealing or trading in shares, Securities, Debentures and other investments and hence the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order 2003, are not applicable to the Company.
- XV. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions, other than guarantees given to banks for the loans taken by M/s Crustum Products Pvt. Ltd., Subsidiary Company and hence the applicability of this clause regarding terms and conditions which are prejudicial to the interest of the company does not arise.
- XVI. According to the information and explanations given to us, the Term Loans were applied by the company for the purpose for which the loans were obtained.
- XVII. According to the information given to us and on an overall examination of the Balance Sheet of the Company, we report that the funds raised on short-term basis have not been used for long term investment and vice-versa during the year under audit.

- XVIII. According to the information and explanations given to us, the Company has not made preferential allotment of Shares to parties and Companies covered in the Register maintained under section 301 of the Companies Act, 1956 and hence the applicability of the clause regarding the price at which shares have been issued and whether the same is not prejudicial to the interest of the Company.
- XIX. According to the information and explanations given to us, the company has issued 500 debentures of Rs.10,00,000/- each on 21st March 2007 and the company has created the security for the debentures issued by the company.
- XX. According to information and explanations given to us, the company has not raised money by way of public issues during the year, hence the clause regarding the disclosure by the management on the end use of money raised by Public Issue is not applicable.
- XXI. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year under audit.

Hyderabad
August 13, 2011

For P.MURALI & CO.,
Chartered Accountants
Firm's Regn. No. : 007257S

SD/-
P.MURALI MOHANA RAO
PARTNER
Membership No. 23412

BALANCE SHEET AS AT 31ST MARCH, 2011

PARTICULARS	SCHEDULE Nos.	AS ON 31-03-2011 (Rupees)	AS ON 31-03-2010 (Rupees)
I. SOURCES OF FUNDS			
1. SHARE HOLDERS FUNDS			
a. Capital	1	42,40,52,240	42,40,52,240
b. Reserves & Surplus	2	1,95,02,25,890	1,97,30,95,720
2. LOAN FUNDS			
a. Secured Loans	3	8,21,60,57,217	8,05,21,47,482
b. Unsecured Loan	4	2,27,86,43,146	69,63,73,999
3. DEFERRED TAX LIABILITY			
		16,52,72,386	15,27,00,817
TOTAL		13,03,42,50,879	11,29,83,70,258
II APPLICATION OF FUNDS			
1. FIXED ASSETS			
a. Gross Block	11	4,53,14,78,353	4,53,19,27,443
b. Less : Depreciation		89,75,61,225	76,77,14,550
c. Net Block		3,63,39,17,128	3,76,42,12,893
d. Capital Work in progress		8,64,59,08,483	6,92,46,98,636
2. INVESTMENT			
	5	15,72,62,420	27,55,60,358
3. CURRENT ASSETS, LOANS & ADVANCES			
a. Inventories		83,80,809	82,76,487
b. Sundry Debtors	6	5,72,18,060	5,33,00,491
c. Cash & Bank Balance	7	19,21,704	2,58,64,768
d. Loans & Advance	8	1,55,76,38,146	1,13,53,12,265
Less: Current Liabilities & Provisions	9	1,02,93,05,129	89,01,64,895
NET CURRENT ASSETS		59,58,53,591	33,25,89,114
MISCELLANEOUS EXPENDITURE			
		13,09,257	13,09,257
TOTAL		13,03,42,50,879	11,29,83,70,258
Notes to Accounts	12		

AS PER OUR REPORT OF EVEN DATE
FOR P. MURALI & CO.,
Chartered Accountants
Firm's Regn. No. : 007257S

FOR AND ON BEHALF OF THE BOARD

SD/-
P. MURALI MOHANA RAO
Partner
Membership No. 23412

SD/-
P. PRABHAKAR REDDY
Managing Director

SD/-
A. VIJAYAVARDHAN REDDY
Director

Hyderabad
August 13, 2011

SD/-
K. GURAVA RAJU
Chief Financial Officer

SD/-
P. LENIN BABU
Company Secretary

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

PARTICULARS	SCHEDULE Nos.	Year Ended 31-03-2011 (Rupees)	Year Ended 31-03-2010 (Rupees)
INCOME			
Guest Accommodation, Restaurants, Bars and Banquets		68,72,45,451	57,24,84,999
Other Income		4,88,53,194	6,99,45,057
TOTAL		73,60,98,645	64,24,30,056
EXPENDITURE			
Consumption of Provisions, Stores & Wine		7,24,20,966	6,70,28,921
Personnel Cost		13,93,90,767	12,52,04,359
Power & Fuel		7,10,90,398	4,20,83,799
Interest & Financial Charges		22,05,87,387	17,55,02,743
Administrative Expenses	10	11,20,93,768	11,49,16,056
Depreciation		13,06,67,544	11,48,87,120
Foreign Exchange Fluctuation Loss		--	5,21,877
Loss on Sale of Assets		1,46,077	11,73,270
TOTAL		74,63,96,907	64,13,18,145
Profit Before Tax		(1,02,98,262)	11,11,911
Provision For Tax / Mat		--	--
Profit Before Deferred Tax		(1,02,98,262)	11,11,911
Provision For Deferred Tax		(1,25,71,569)	(1,48,02,176)
Profit After Taxes		(2,28,69,831)	(1,36,90,265)
Profit After Debenture Redemption Reserve		(2,28,69,831)	(1,36,90,265)
Profit Brought Forward		16,48,19,620	17,85,09,885
Balance Carried To Balance Sheets		14,19,49,789	16,48,19,620
Earning Per Share Basic & Diluted (In Rupees)		(5.39)	(3.23)
Face Value Per Equity Share (In Rupees)		10.00	10.00

Notes to Accounts
12

AS PER OUR REPORT OF EVEN DATE
FOR P. MURALI & CO.,
Chartered Accountants
Firm's Regn. No. : 007257S

FOR AND ON BEHALF OF THE BOARD

SD/-
P. MURALI MOHANA RAO
Partner
Membership No. 23412

SD/-
P. PRABHAKAR REDDY
Managing Director

SD/-
A. VIJAYAVARDHAN REDDY
Director

Hyderabad
August 13, 2011

SD/-
K. GURAVA RAJU
Chief Financial Officer

SD/-
P. LENIN BABU
Company Secretary

PARTICULARS	AS ON 31-03-2011 (Rupees)	AS ON 31-03-2010 (Rupees)
SCHEDULE 1		
SHARE CAPITAL		
AUTHORISED :		
4,50,00,000 Equity Shares of Rs.10/- Each	45,00,00,000	45,00,00,000
10,00,000 Preference Shares of Rs.100/- Each	10,00,00,000	10,00,00,000
ISSUED, SUBSCRIBED & PAID - UP		
4,24,05,224 Equity Shares of Rs.10/- Each	42,40,52,240	42,40,52,240
TOTAL	42,40,52,240	42,40,52,240

Notes :

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

SCHEDULE 2
RESERVES & SURPLUS

Capital Reserves	5,46,000	5,46,000
Revaluation Reserve	79,19,430	79,19,430
Debenture Redemption Reserve	50,00,000	50,00,000
Share Premium	1,71,77,85,670	1,71,77,85,670
General Reserve	3,20,25,000	3,20,25,000
Profit Carried Forward	14,19,49,789	16,48,19,620
TOTAL	1,95,02,25,890	1,97,30,95,720

SCHEDULE 3
SECURED LOANS

Non-Convertible Redeemable Debentures	42,50,00,000	50,00,00,000
Rupee Term Loans (Security refer to Notes to accounts)		
Rupee Term Loans	7,76,79,79,857	7,52,28,98,058
Working Capital Borrowings	8,06,545	32,22,802
From Others	2,22,70,815	2,60,26,622
TOTAL	8,21,60,57,217	8,05,21,47,482

SCHEDULE 4
UNSECURED LOANS

Directors / Relatives / Promoters Group Companies/Others	1,82,02,99,675	66,01,47,499
Group Companies	45,83,43,471	3,62,26,500
TOTAL	2,27,86,43,146	69,63,73,999

PARTICULARS	AS ON 31-03-2011 (Rupees)	AS ON 31-03-2010 (Rupees)
SCHEDULE 5		
INVESTMENTS		
Unlisted Unquoted Wholly Owned Subsidiary Companies		
27,44,530 Equity Shares of Rs.10/- each in Café D'Lake Pvt. Ltd.	7,03,69,750	7,03,69,750
Share Application Money with Café D'Lake Pvt. Ltd.	--	1,05,23,414
40,00,000 Equity Shares of Rs.10/- each in Crustum Products Pvt. Ltd.	4,00,00,000	4,00,00,000
Share Application Money with Crustum Products Pvt. Ltd.	--	10,78,74,524
46,69,267 Equity Shares of Rs.10/- each in Minerva Hospitalities Pvt. Ltd.	4,66,92,670	4,66,92,670
10,000 Equity Shares of Rs.10/- each in Viceroy Bangalore Hotels Pvt. Ltd.	1,00,000	1,00,000
10,000 Equity Shares of Rs.10/- each in Viceroy Chennai Hotels & Resorts Pvt. Ltd.	1,00,000	--
TOTAL	15,72,62,420	27,55,60,358
SCHEDULE 6		
SUNDRY DEBTORS		
(Un secured, Considered Good)		
Others Considered Good	4,75,99,924	5,33,00,491
More than Six Months - Considered Good	96,18,136	--
TOTAL	5,72,18,060	5,33,00,491
SCHEDULE 7		
CASH & BANK BALANCES		
Cash on hand	11,48,245	20,02,831
Balance with Scheduled Banks	7,73,459	2,38,61,937
TOTAL	19,21,704	2,58,64,768
SCHEDULE 8		
LOANS & ADVANCES		
Advances Recoverable in cash or kind	19,32,39,547	15,20,05,904
Deposits	4,69,13,208	5,51,56,775
Advance to Suppliers & Others	1,10,18,13,661	75,15,83,195
TDS Receivables	1,12,57,253	2,34,66,224
Prepaid expenses / Others	8,60,16,539	15,31,00,167
Advance to Subsidiary Companies	11,83,97,938	--
TOTAL	1,55,76,38,146	1,13,53,12,265

PARTICULARS	AS ON 31-03-2011 (Rupees)	AS ON 31-03-2010 (Rupees)
SCHEDULE 9		
CURRENT LIABILITIES & PROVISIONS		
Creditors for supplies & Capital Goods	44,21,43,428	47,67,61,951
Deposits Received	14,93,33,998	17,41,29,181
Duties & Taxes	6,08,64,287	5,81,74,779
Outstanding Expenses	29,65,88,223	10,69,35,232
Provisions	8,03,75,193	7,41,63,752
TOTAL	1,02,93,05,129	89,01,64,895

PARTICULARS	Year Ended 31-03-2011 (Rupees)	Year Ended 31-03-2010 (Rupees)
SCHEDULE 10		
ADMINISTRATIVE EXPENSES		
Selling Expenses	4,17,36,189	4,23,97,482
Directors Remuneration	30,00,000	30,00,000
Auditors Remuneration	4,41,200	4,41,200
Rates and Taxes	1,62,14,037	1,43,55,226
Insurance	18,33,181	75,10,573
Traveling & Conveyance	78,22,263	70,05,514
Printing & Stationary	39,65,068	30,82,008
Postage, Telegrams & Telephones	25,72,436	21,35,260
Repairs & Maintenance	1,68,39,792	1,56,67,077
Other Expenses	1,38,82,911	1,68,83,565
Bad Debts Written Off	37,52,621	24,38,151
Donations	34,070	--
TOTAL	11,20,93,768	11,49,16,056

STAND-ALONE FINANCIALS

SCHEDULE 11 FIXED ASSETS

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Block As at 01-04-2010	Additions During the Year	adjustments During the Year	Total Cost as at 31-03-2011	Up to 31-03-2010	For the Year	adjustments During the Year	Total as at 31-03-2011	as at 31-03-2011	as at 31-03-2010
Land	1,65,88,58,105	--	--	1,65,88,58,105	--	--	--	--	1,65,88,58,105	1,65,88,58,105
Building	1,62,77,76,035	--	--	1,62,77,76,035	30,21,12,637	5,43,67,720	--	35,64,80,357	1,27,12,95,678	1,32,56,63,398
Furniture & Fixtures	37,66,37,289	51,324	3,500	37,66,85,113	17,06,55,648	2,38,42,795	--	19,44,98,443	18,21,86,671	20,59,81,641
Air Conditioners	16,04,27,348	--	--	16,04,27,348	6,26,66,484	76,20,299	--	7,02,86,783	9,01,40,565	9,77,60,864
Electrical Fittings	19,73,17,535	--	55,600	19,72,61,935	5,28,90,607	93,67,301	--	6,22,57,908	13,50,04,027	14,44,26,928
Vehicles	5,09,53,414	24,430	12,74,799	4,97,03,045	20,06,61,806	48,01,619	8,20,872	2,46,42,554	2,50,60,491	3,02,91,608
Plant Machinery	7,96,17,720	15,532	--	7,96,33,252	1,65,91,371	3,784,666	--	2,03,76,037	5,92,57,215	6,30,26,349
Generator	13,65,000	--	--	13,65,000	2,48,517	64,838	--	3,13,355	10,51,646	11,16,483
Misc. Fixed Asset	37,89,74,997	9,03,060	1,09,537	37,97,68,520	14,18,87,482	2,68,18,307	--	16,87,05,789	21,10,62,731	23,70,87,517
Total	4,53,19,27,443	9,94,346	14,43,436	4,53,14,78,353	76,77,14,551	13,06,67,544	8,20,872	89,75,61,224	3,63,39,17,129	3,76,42,12,893

SCHEDULE 12

NOTES FORMING PART OF THE ACCOUNTS

A. Significant Accounting Policies to Accounts:

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

The financial statements are prepared under historical cost convention on an accrual basis and comply with the Accounting Standards (AS) issued by the Institute of Chartered Accountants of India (ICAI), referred to in Section 211 (3C) of the Companies Act, 1956. The significant accounting policies adopted in the presentation of the Accounts are as under:

(a) Accounting Convention and Revenue Recognitions:

The Financial statements have been prepared in accordance with historical cost convention except for such fixed which are revalued. Both the income and expenditure items are recognized on accrual basis.

(b) Retirement Benefits:

Staff benefits arising out of retirement /death, comprising of contributions to Provident Fund, Superannuation & Gratuity Schemes, accrued Leave Encashable and other post-separation benefits are accounted for on the basis of contribution to the schemes, or an independent actuarial valuation as the case may be as per AS-15.

(c) Fixed Assets:

Fixed assets are stated at cost of acquisition and subsequent improvements thereto, inclusive of taxes, freight, and other incidental expenses related to acquisition, improvements and installation, except in case of revaluation of fixed assets where it is stated at revalued amount. Interest during construction period on loans to finance fixed assets is capitalized as per AS-10.

(d) Depreciation:

Depreciation on fixed assets other than land is provided under the straight-line method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956, as existing on that date as per AS-6.

(e) Transactions in Foreign Exchange:

Sales made in foreign currency are converted at the prevailing applicable exchange rate. Gain /loss arising out of the fluctuations in exchange rate is accounted for on realization.

Payment made in foreign currency are converted at the applicable rate prevailing on the date of remittance as per AS-11.

(f) Borrowing Cost

Borrowing cost that is attributable to the acquisition /construction of fixed assets is capitalized as part of the cost of respective assets as per AS-16.

(g) Inventories:

Stock of food and beverages and operating supplies are carried at cost or Market Value, whichever is lower as per AS-2.

(h) Taxes on income:

- (i) Income tax is computed in accordance with Accounting Standard 22 - 'Accounting for Taxes on Income (AS-22)', issued by the ICAI. Tax expenses are accounted in the same period to which the revenue and expenses relate.
- (ii) Provision for current income tax is made on the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the prevailing tax laws. The differences between taxable income and the net profit or loss before tax for the year as per the financial statements are identified and the tax effect of the deferred tax asset or deferred tax liabilities recorded for timing differences, i.e. differences that originate in one accounting period and reverse in another. The tax effect is calculated on accumulated timing differences at the end of the accounting year based on effective tax rates that would apply in the years in which the timing differences are expected to reverse.
- (iii) Deferred tax assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

(i) Accounting for Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized in terms of Accounting Standard 29 — 'Provisions, Contingent Liabilities and Contingent Assets' (AS-29), issued by the ICAI., when there is a present legal or statutory obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Contingent Liabilities are recognized only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent Assets are not recognized in the financial statements.

(j) Earnings per Share:

The earning considered in ascertaining the earning per share comprise net profit after tax. The number of shares used in computing basis earning per share is the weighted average number of shares outstanding during the year as per AS-20.

B. Notes on accounts

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

1. Basic Earnings Per Share (Basic EPS)

Particulars	Current Year Rs.	Previous Year Rs.
Net Profit after Tax	(2,28,69,831)	(1,36,90,265)
Weighted Average Number of Shares Considered	4,24,05,224	4,24,05,224
EPS	(5.39)	(3.23)

2. In relation of Fixed Assets:

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

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

Particulars	Current Year Rs.	Previous Year Rs.
Provision for Income Tax / Deferred Tax Liability	1,25,71,569	1,48,02,176

4. In relation of Managerial Remuneration :

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

5. Auditor's Remuneration:

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

6. According to the information available with the Company, there are no amounts as at 31st March, 2011, due to suppliers who constitute a "small scale industrial undertaking".

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

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

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

ii) Guarantees:

Guarantees given to bank for the Bank Guarantee limits availed by the company towards EPCG Bonds given to DGFT, Hyderabad.	Rs. 16,22,500/-
Previous Year	Rs. 29,50,300/-

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

8. In relation of Foreign currency inflows and outflows :

Particulars	Current Year Rs. In Crores	Previous Year Rs.in Crores
Out go on account of Capital work in progress expense is	7.25	5.96

9. Expenditure in Foreign Currency:

Particulars	Current Year Rs. In Crores	Previous Year Rs.in Crores
Royalties & Others	4.14	4.87

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

Particulars	Current Year Rs. In Crores	Previous Year Rs.in Crores
Earning in Foreign Exchange :	17.80	19.46

11. In relation of Secured (Term) Loans:

- (i) Term loans from IDFC Limited and Non Convertible Debentures from AXIS Bank aggregating to Rs.126.00 crores are secured by Pari Passu first charge on the immovable and movable properties of Hyderabad Marriott Hotel.
- (ii) Term loans sanctioned by State Bank of India, State Bank of Mysore, State Bank of Indore, State Bank of Bikaner & Jaipur, Allahabad Bank, Indian Overseas Bank and UCO Bank aggregating to Rs.350.00 crores for the Chennai Hotel project are secured by Pari Passu first charge on the immovable and movable properties of Chennai hotel project.
- (iii) Term loans sanctioned by State Bank of Mysore, State Bank of Indore, State Bank of India and Canara Bank aggregating to Rs.112.00 crores for the Bangalore hotel project are secured by Pari-Passu first charge on the fixed assets of Bangalore Project. Apart from this the loans are also secured by deposit of lease deed of 53 years pertaining to the Bangalore project.
- (iv) Term loans from State Bank of India and Canara Bank for the Hyderabad Courtyard hotel project aggregating to Rs.95.00 crores are secured by the first parri passu charge on the fixed assets of the Courtyard hotel project.
- (v) The company has availed Redeemable Non convertible Debentures aggregating Rs.50 crores from Axis Bank Limited. It is secured against the immovable and movable properties of Hyderabad Marriott. The company has created a Debenture Redemption reserve of Rs.500 lakhs for the FY2008 and during the year under review, the company has not created any Debenture Redemption reserve. The company has redeemed Rs. 7.5 crores of these Non convertible Debentures during the year under review.

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

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

However, during the financial year ended 31st March 2011, except Managerial remuneration no transaction were recorded between the company and any related party mentioned above, in respect of services.

13. The Company's only business is hoteliering and hence disclosure of segment-wise information is not applicable under Accounting Standard 17 — 'Segmental Information' (AS-17). There is no geographical segment to be reported.
14. Capital Work-in-Progress includes Pre-operative expenses of Rs.2843.61 lakhs pertaining to the Non-Refundable Deposit paid to the land lords for taking land on long lease of 53 years for the Bangalore hotel project.
15. Since Central Government had issued a notification No. S.O. 301 (E) dated 8th February, 2011 in exercise of the powers conferred by Section 211 (3) of the Companies Act, 1956 granting general exemption to some specified class of companies, including hotel companies, from disclosing certain information in their profit and loss account as required under Part-II of Schedule VI of the Companies Act, 1956 subject to fulfilment of few conditions, the Company has duly complied with all conditions of the notification to seek general exemption under Section 211 (4) of the Companies Act, 1956, paras 3(i)(a) and 3(ii)(d) of Part II of Schedule VI of the Companies Act, 1956 dealing with the disclosure of quantitative details of turnover of each class of goods, opening and closing stock, purchases, production and consumption of raw material in the financial statements for the financial year ended 31st March, 2011. In this regard the Board of Directors of the Company has passed necessary resolution to comply with the conditions of the notification for the same.
16. The Board of Directors of the Company has by resolution has given consent to avail of the General Circular Nos: 2/2011 and 3/2011 dated 8th February, 2011 and 21st February, 2011 respectively issued by the Ministry of Corporate Affairs, Government of India giving general exemption to the companies under Section 212(8) of the Companies Act, 1956 for not attaching the balance sheet of the subsidiaries. The Company has disclosed necessary information as required in the said Circular in the consolidated balance sheet in aggregate for each subsidiary.
17. Previous year's figures and current year's figures have been regrouped, recasted, wherever necessary to improve figures presentation.
18. The figures have been rounded off to the nearest rupee.

SIGNATURES TO SCHEDULES 1 TO 12
AS PER OUR REPORT OF EVEN DATE
FOR P. MURALI & CO.,

Chartered Accountants

Firm's Regn. No. : 007257S

SD/-

P. MURALI MOHANA RAO

Partner

Membership No. 23412

Hyderabad

August 13, 2011

FOR AND ON BEHALF OF THE BOARD

SD/-

P. PRABHAKAR REDDY

Managing Director

SD/-

A. VIJAYAVARDHAN REDDY

Director

SD/-

K. GURAVA RAJU

Chief Financial Officer

SD/-

P. LENIN BABU

Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2011

Particulars	Current Year (Rs. in lakhs)	Previous Year (Rs. in lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before taxation, and extraordinary items	(102.98)	11.12
Adjustments for:		
Depreciation	1306.68	1148.87
Interest	2205.87	1755.03
Loss on Sale of Asset	1.46	--
Operating Profit before working capital changes	3411.03	2915.02
Trade and other receivables	(4262.43)	397.04
Inventories	(1.04)	16.98
Trade payables	1391.40	5132.09
Misc. Expenses	(0.00)	(0.02)
Cash generated from operations	538.95	8461.11
Interest paid	(2205.87)	(1755.03)
NET CASH FLOW FROM OPERATING ACTIVITIES	(1666.92)	6706.08
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Sale / (Purchase) of Fixed Assets	3.03	(5559.89)
Capital work-in-progress, Pre-operative Expenses	(17212.10)	(20534.31)
Investments	1182.98	(1184.98)
Sale / Adjustment of Fixed Assets	(8.21)	(4.45)
NET CASH USED IN INVESTING ACTIVITIES	(16034.30)	(27283.63)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Shares Capital	0.00	0.00
Secured Loan Taken	1639.10	14399.80
Unsecured Loan	15822.69	5963.27
Share Premium and General Reserve	0.00	0.00
NET CASH USED IN FINANCING ACTIVITIES	17461.79	20363.07
NET INCREASE IN CASH AND CASH EQUIVALENTS	(239.43)	(214.48)
Cash and Cash equivalents (Opening Balance)	258.65	473.12
Cash and Cash equivalents (Closing Balance)	19.22	258.65

AS PER OUR REPORT OF EVEN DATE
FOR P. MURALI & CO.,
Chartered Accountants
Firm's Regn. No. : 007257S

SD/-
P. MURALI MOHANA RAO
Partner
Membership No. 23412
Hyderabad
August 13, 2011

FOR AND ON BEHALF OF THE BOARD

SD/-
P. PRABHAKAR REDDY
Managing Director

SD/-
A. VIJAYAVARDHAN REDDY
Director

SD/-
K. GURAVA RAJU
Chief Financial Officer

SD/-
P. LENIN BABU
Company Secretary

We have examined the attached Cash Flow Statement of M/s. Viceroy Hotels Limited for the year ended 31st March, 2011. The Statement has been prepared by the company in accordance with requirements of Clause 32 of listing agreement with Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report dated 31st March, 2011 to the members of the Company.

For P. MURALI & CO.,
Chartered Accountants
Firm's Regn. No. : 007257S

Hyderabad
August 13, 2011

SD/-
P. MURALI MOHANA RAO
Partner
Membership No. 23412

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

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No.

0	1	-	0	1	0	4	8
---	---	---	---	---	---	---	---

State Code

0	1
---	---

CIN No.

L	5	5	1	0	1	A	P	1	9	6	5	P	L	C	0	1	0	4	8
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

Balance Sheet

3	1
---	---

0	3
---	---

2	0	1	1
---	---	---	---

Date Month Year

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

Public Issue

		N	I	L			
--	--	---	---	---	--	--	--

Rights Issue

		N	I	L			
--	--	---	---	---	--	--	--

Bonus Issue

		N	I	L			
--	--	---	---	---	--	--	--

Private Placement

		N	I	L			
--	--	---	---	---	--	--	--

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

Total Liabilities

	1	3	0	3	4	2	5	1
--	---	---	---	---	---	---	---	---

Total Assets

	1	3	0	3	4	2	5	1
--	---	---	---	---	---	---	---	---

Sources of Funds
Paid up Capital

		4	2	4	0	5	2
--	--	---	---	---	---	---	---

Reserves & Surplus

		1	9	5	0	2	2	5
--	--	---	---	---	---	---	---	---

Secured Loans

		8	2	1	6	0	5	7
--	--	---	---	---	---	---	---	---

Unsecured Loans

		2	2	7	8	6	4	3
--	--	---	---	---	---	---	---	---

Application of Funds
Net Fixed Assets

	1	2	2	7	9	8	2	6
--	---	---	---	---	---	---	---	---

Investments

		1	5	7	2	6	2
--	--	---	---	---	---	---	---

Net Current Assets

		5	9	5	8	5	3
--	--	---	---	---	---	---	---

Misc. Expenditure

				1	3	0	9
--	--	--	--	---	---	---	---

Accumulated Losses

		N	I	L			
--	--	---	---	---	--	--	--

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

Turnover

		7	3	6	0	9	8
--	--	---	---	---	---	---	---

Total Expenditure

		7	4	6	3	9	6
--	--	---	---	---	---	---	---

Profit / Loss Before Tax

-				1	0	2	9	8
---	--	--	--	---	---	---	---	---

Profit / Loss After Tax

-				2	2	8	6	9
---	--	--	--	---	---	---	---	---

Earning Per Share in Rs.

				-	5	.	3	9
--	--	--	--	---	---	---	---	---

Dividend Rate %

		N	I	L			
--	--	---	---	---	--	--	--

V. Generic Names of Three Principal Products / Services of Company (as per monetary terms) Item Code No.

(ITC Code)

N	A							
---	---	--	--	--	--	--	--	--

Product Description

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

* Net Fixed Assets includes capital work-in-progress & Pre-operative Expenses

AUDITOR'S REPORT

To the Members
VICEROY HOTELS LIMITED

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

We have examined the attached Consolidated Balance Sheet of M/s.VICEROY HOTELS LTD ('the Company') and its wholly owned subsidiaries as at 31st March, 2011 and the Consolidated Profit & Loss Account for the year ended on the date annexed thereto and Consolidated Cash flow Statement for the period ended on that date. These Consolidated financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement. We believe that our audit provides a reasonable basis for our opinion.

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

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

- (a) in the case of the Consolidated balance Sheet, of the consolidated state of affairs of the company and its subsidiaries as at 31st March, 2011.
- (b) in the case of the Consolidated Profit and Loss Account of the consolidated results of operations of the Company and its subsidiaries for the year then ended and
- (c) in the case of the Consolidated cash flows Statement, of the Consolidated Cash flows of the company and its subsidiaries for the year then ended.

Hyderabad
August 13, 2011

For P. MURALI & CO.,
Chartered Accountants
Firm's Regn. No. : 007257S

SD/-
P. MURALI MOHANA RAO
Partner
Membership No. 23412

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

PARTICULARS	SCHEDULE NO's.	AS ON 31-03-2011 (Rupees)	AS ON 31-03-2010 (Rupees)
I. SOURCES OF FUNDS			
1. SHARE HOLDERS FUNDS			
a. Capital	1	42,40,52,240	42,40,52,240
b. Reserves & Surplus	2	2,05,47,43,974	2,04,67,87,790
2. LOAN FUNDS			
a. Secured Loans	3	8,44,41,39,790	8,30,87,46,268
b. Unsecured Loan	4	1,87,65,01,630	66,56,30,841
3. DEFERRED TAX LIABILITY			
		18,89,37,317	17,47,66,997
TOTAL		<u>12,98,83,74,951</u>	<u>11,61,99,84,136</u>
II APPLICATION OF FUNDS			
1. FIXED ASSETS			
a. Gross Block	10	4,83,72,26,063	4,82,48,71,306
b. Less : Depreciation		97,93,71,524	83,60,99,355
c. Net Block		3,85,78,54,539	3,98,87,71,951
d. Capital Work in progress		8,87,10,93,853	7,09,92,50,703
2. INVESTMENT			
		-	--
3. CURRENT ASSETS, LOANS & ADVANCES			
a. Inventories		1,48,17,597	1,51,38,624
b. Sundry Debtors	5	6,24,31,396	5,79,90,655
c. Cash & Bank Balance	6	56,44,717	3,29,67,763
d. Loans & Advance	7	1,26,22,73,180	1,36,66,86,901
Less: Current Liabilities & Provisions	8	1,08,70,91,338	94,21,25,318
NET CURRENT ASSETS		25,80,75,552	53,06,58,625
MISCELLANEOUS EXPENDITURE		13,51,007	13,02,857
TOTAL		<u>12,98,83,74,951</u>	<u>11,61,99,84,136</u>

Notes to Accounts 11

AS PER OUR REPORT OF EVEN DATE
FOR P. MURALI & CO.,
Chartered Accountants
Firm's Regn. No. : 007257S

FOR AND ON BEHALF OF THE BOARD

SD/-
P. MURALI MOHANA RAO
Partner
Membership No. 23412

SD/-
P. PRABHAKAR REDDY
Managing Director

SD/-
A. VIJAYAVARDHAN REDDY
Director

Hyderabad
August 13, 2011

SD/-
K. GURAVA RAJU
Chief Financial Officer

SD/-
P. LENIN BABU
Company Secretary

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

PARTICULARS	SCHEDULE NO's.	Year Ended 31-03-2011 (Rupees)	Year Ended 31-03-2010 (Rupees)
INCOME			
Guest Accommodation, Restaurants, Bars and Banquets		1,02,93,04,604	90,54,83,977
Other Income		6,72,88,922	6,99,45,057
TOTAL		<u>1,09,65,93,526</u>	<u>97,54,29,034</u>
EXPENDITURE			
Consumption of Provisions, Stores & Wine		20,06,34,577	16,93,15,468
Personnel Cost		20,83,13,958	18,68,11,710
Power & Fuel		8,51,74,163	4,99,03,817
Interest & Financial Charges		23,27,03,224	19,55,55,821
Administrative Expenses	9	19,53,45,480	20,99,80,272
Depreciation		14,50,57,449	12,92,25,652
Foreign Exchange Fluctuation Loss		--	5,21,877
Loss on sale of assets		1,46,077	11,73,270
TOTAL		<u>1,06,73,74,928</u>	<u>94,24,87,887</u>
Profit Before Tax		2,92,18,599	3,29,41,147
Provision For Tax / MAT		(70,91,355)	(44,88,396)
Profit Before Deferred Tax		2,21,27,244	2,84,52,751
Provision For Deferred Tax		(1,41,70,318)	(1,67,55,662)
Profit After Taxes		79,56,926	1,16,97,089
Profit After DRR		79,56,926	1,16,97,089
Profit Carried To Balance Sheets		79,56,926	1,16,97,089
Earning Per Share Basic & Diluted (In Rupees)		0.19	0.28
Face Value Per Equity Share (In Rupees)		10.00	10.00

Notes to Accounts 11

AS PER OUR REPORT OF EVEN DATE
FOR P. MURALI & CO.,
Chartered Accountants
Firm's Regn. No. : 007257S

FOR AND ON BEHALF OF THE BOARD

SD/-
P. MURALI MOHANA RAO
Partner
Membership No. 23412

SD/-
P. PRABHAKAR REDDY
Managing Director

SD/-
A. VIJAYAVARDHAN REDDY
Director

Hyderabad
August 13, 2011

SD/-
K. GURAVA RAJU
Chief Financial Officer

SD/-
P. LENIN BABU
Company Secretary

PARTICULARS	AS ON 31-03-2011 (Rupees)	AS ON 31-03-2010 (Rupees)	
SCHEDULE 1			
SHARE CAPITAL			
AUTHORISED :			
4,50,00,000	Equity Shares of Rs.10/- Each	45,00,00,000	45,00,00,000
10,00,000	Preference Shares of Rs.100/- Each	10,00,00,000	10,00,00,000
ISSUED, SUBSCRIBED & PAID - UP			
4,24,05,224	Equity Shares of Rs.10/- Each	42,40,52,240	42,40,52,240
	TOTAL	42,40,52,240	42,40,52,240
Notes :			
Out of the paid up capital 47,83,796 equity shares of Rs.10/- each were allotted on July 14, 2007 as fully paid up shares pursuant to the scheme of arrangement with erstwhile Minerva Restaurant Pvt. Ltd., erstwhile Minerva Coffeeshop Pvt. Ltd., erstwhile Minerva Hotels Pvt. Ltd., M/s. Cafe D'Lake Pvt. Ltd., erstwhile Blue Fox Bar & Restaurant Pvt. Ltd., M/s. Minerva Hospitalities Pvt. Ltd., erstwhile Banjara Hospitalities Pvt. Ltd., M/s. Crustum Products Pvt. Ltd., and Hotels Division of M/s. Minerva Enterprises Pvt. Ltd., with the Company.			
SCHEDULE 2			
RESERVES & SURPLUS			
Capital Reserves	5,46,000	5,46,000	
Revaluation Reserve	79,19,430	79,19,430	
Debenture Redemption Reserve	5,00,00,000	5,00,00,000	
Share Premium	1,71,77,85,670	1,71,77,85,670	
General Reserve	3,20,25,000	3,20,25,000	
Profit and Loss Account	24,64,67,874	23,85,11,690	
	TOTAL	2,05,47,43,974	2,04,67,87,790
SCHEDULE 3			
SECURED LOANS			
Non-Convertible Redeemable Debentures	42,50,00,000	50,00,00,000	
Rupee Term Loans (Security refer to Notes to accounts)			
Rupee Term Loans	7,85,36,54,508	7,77,94,96,845	
Working Capital Borrowings	8,06,545	32,22,801	
From Others	16,46,78,737	2,60,26,622	
	TOTAL	8,44,41,39,790	8,30,87,46,268
SCHEDULE 4			
UNSECURED LOANS			
Directors / Relatives / Promoters Group Companies/Others	1,87,65,01,630	62,94,04,341	
Group Companies	--	3,62,26,500	
	TOTAL	1,87,65,01,630	66,56,30,841

PARTICULARS	AS ON 31-03-2011 (Rupees)	AS ON 31-03-2010 (Rupees)
SCHEDULE 5		
SUNDRY DEBTORS		
(Unsecured, Considered Good)		
Others - Considered Good	5,27,58,053	5,78,01,379
More than six months - Considered Good	96,73,343	1,89,276
TOTAL	6,24,31,396	5,79,90,655
SCHEDULE 6		
CASH & BANK BALANCES		
Cash on hand	27,01,418	45,99,808
Balance with Scheduled Banks	29,43,299	2,83,67,955
TOTAL	56,44,717	3,29,67,763
SCHEDULE 7		
LOANS & ADVANCES		
Advances recoverable in cash or kind	35,28,22,490	30,56,55,404
Deposits	6,35,67,354	16,59,32,759
Advance to Suppliers & Others	74,85,37,113	71,85,15,416
TDS Recievables	1,13,00,969	17,65,83,322
Prepaid expenses/ Others	8,60,45,254	
Advance to subsidiary companies	-	-
TOTAL	1,26,22,73,180	1,36,66,86,901
SCHEDULE 8		
CURRENT LIABILITIES & PROVISIONS		
Creditors for supplies & Capital Goods	46,31,15,271	33,30,29,660
Deposits Received	15,29,92,624	35,10,11,573
Duties and Taxes	6,09,10,027	-
Outstanding Expenses	30,31,21,445	17,50,15,715
Provisions	10,69,51,972	8,30,68,370
TOTAL	1,08,70,91,338	94,21,25,318

PARTICULARS	Year Ended 31-03-2011 (Rupees)	Year Ended 31-03-2010 (Rupees)
SCHEDULE 9		
ADMINISTRATIVE EXPENSES		
Selling Expenses	4,70,49,110	4,84,85,125
Directors Remuneration	42,00,000	44,00,000
Auditors Remuneration	8,65,975	8,65,975
Rents,Rates and Taxes	6,90,55,544	6,14,79,284
Insurance	18,33,181	75,10,573
Travelling & Conveyance	1,11,19,099	95,30,737
Printing & Stationary	55,39,710	48,93,648
Postage, Telegrams & Telephones	34,02,290	28,14,883
Repairs & Maintenance	1,68,39,792	-
Other Expenses	3,16,54,088	6,75,61,897
Bad Debts w/o	37,52,621	24,38,150
Donations	34,070	-
TOTAL	19,53,45,480	20,99,80,272

CONSOLIDATED FINANCIALS

CONSOLIDATED FINANCIALS



VICEROY

SCHEDULE 10 FIXED ASSETS

DESCRIPTION OF ASSET	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Block As at 01-04-2010	Additions During the Year	Adjustments During the Year	Total Cost as at 31-03-2011	Up to 31-03-2010	For the Year	Adjustments During the Year	Total as at 31-03-2011	as at 31-03-2011	as at 31-03-2010
Land	1,65,88,58,105	--	--	1,65,88,58,105	--	--	--	--	1,65,88,58,105	1,65,88,58,105
Building	1,73,77,86,976	--	--	1,73,77,86,976	32,10,29,592	5,80,41,343	--	37,90,70,935	1,35,87,16,041	14,16,75,384
Furniture & Fixtures	42,41,07,293	1,02,84,075	3,500	43,43,87,868	18,59,79,338	2,67,51,074	--	21,27,30,412	22,16,57,456	23,81,27,955
Air Conditioners	17,04,58,853	25,000	--	17,04,83,853	6,55,40,416	80,97,983	--	7,36,38,399	9,68,45,454	10,49,18,437
Electrical Fittings	20,37,83,942	1,12,700	55,600	20,38,41,042	5,54,05,942	98,31,564	--	6,52,37,506	13,86,03,536	14,83,78,000
Vehicles	5,67,69,856	18,87,618	12,74,799	5,73,82,675	2,29,70,153	54,42,683	8,20,872	2,75,91,964	2,97,90,711	3,37,99,703
Plant and machinery	15,77,24,398	8,10,268	--	15,85,34,666	3,04,78,620	75,11,129	--	3,79,89,749	1,205,44,917	12,72,45,779
Generator	73,71,549	--	--	73,71,549	18,70,020	3,50,149	--	22,20,169	51,51,380	55,01,529
Misc. Fixed Asset	39,96,83,855	14,19,731	1,09,537	40,09,94,049	14,78,51,824	2,78,22,706	--	17,56,74,530	22,53,19,519	25,18,32,031
Computers	83,26,480	2,23,208	9,64,409	75,85,279	49,73,450	12,08,819	9,64,409	52,17,860	23,67,419	33,53,030
Total	4,82,48,71,307	1,47,62,601	24,07,845	4,83,72,26,063	83,60,99,355	14,50,57,449	17,85,281	97,93,71,524	3,85,78,54,539	3,98,87,71,953

SCHEDULE 11

NOTES FORMING PART OF THE ACCOUNTS

A. Significant Accounting Policies to Accounts:

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

The financial statements are prepared under historical cost convention on an accrual basis and comply with the Accounting Standards (AS) issued by the Institute of Chartered Accountants of India (ICAI), referred to in Section 211 (3C) of the Companies Act, 1956. The significant accounting policies adopted in the presentation of the Accounts are as under:

(a) Accounting Convention and Revenue Recognitions:

The Financial statements have been prepared in accordance with historical cost convention except for such fixed assets which are revalued. Both the income and expenditure items are recognized on accrual basis.

(b) Retirement Benefits:

Staff benefits arising out of retirement / death, comprising of contributions to Provident Fund, Superannuation & Gratuity Schemes, accrued Leave Encashable and other post-separation benefits are accounted for on the basis of contribution to the schemes, or an independent actuarial valuation as the case may be as per AS-15..

(c) Fixed Assets:

Fixed assets are stated at cost of acquisition and subsequent improvements thereto, inclusive of taxes, freight, and other incidental expenses related to acquisition, improvements and installation, except in case of revaluation of fixed assets where it is stated at revalued amount. Interest during construction period on loans to finance fixed assets is capitalized as per AS-10.

(d) Depreciation:

Depreciation on fixed assets other than land is provided under the straight-line method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956, as existing on that date as per AS-06.

(e) Transactions in Foreign Exchange:

Sales made in foreign currency are converted at the prevailing applicable exchange rate. Gain /loss arising out of the fluctuations in exchange rate is accounted for on realization.

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

Foreign currency loans covered by forward contracts are realigned at the forward contracts while those not covered by forward contracts are realigned at the rate ruling at the year end. The differences in realignment are accounted for in the Profit and Loss Account as per AS-11.

(f) Borrowing Cost

Borrowing cost that is attributable to the acquisition /construction of fixed assets is capitalized as part of the cost of respective assets as per AS-16.

(g) Inventories:

Stock of food and beverages and operating supplies are carried at cost or Net Realisable Value, whichever is lower as per AS-2.

(h) Taxes on income:

- (i) Income tax is computed in accordance with Accounting Standard 22 - 'Accounting for Taxes on Income (AS-22)', issued by the ICAI. Tax expenses are accounted in the same period to which the revenue and expenses relate.
- (ii) Provision for current income tax is made on the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the prevailing tax laws. The differences between taxable income and the net profit or loss before tax for the year as per the financial statements are identified and the tax effect of the deferred tax asset or deferred tax liabilities recorded for timing differences, i.e. differences that originate in one accounting period and reverse in another. The tax effect is calculated on accumulated timing differences at the end of the accounting year based on effective tax rates that would apply in the years in which the timing differences are expected to reverse.
- (iii) Deferred tax assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

(i) Accounting for Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized in terms of Accounting Standard 29 — 'Provisions, Contingent Liabilities and Contingent Assets' (AS-29), issued by the ICAI., when there is a present legal or statutory obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Contingent Liabilities are recognized only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for. Contingent Assets are not recognized in the financial statements.

(j) Earning per Share:

The earning considered in ascertaining the earning per share comprise net profit after tax. The number of shares used in computing basis earning per share is the weighted average number of shares outstanding during the year as per AS-20.

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

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

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

2. In relation of Fixed Assets:

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

3. Basic Earnings Per Share (Basic EPS)

Particulars	Current Year Rs.	Previous Year Rs.
Net Profit after Tax	79,56,926	1,16,97,089
Weighted Average Number of Shares Considered	4,24,05,224	4,24,05,224
EPS	0.19	0.28

4. Contingent Liabilities not provided for in respect of :

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

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

ii) Guarantees:

Guarantees given to bank for the Bank Guarantee limits availed by the company towards EPCG Bonds given to DGFT, Hyderabad.	Rs. 16,22,500/-
Previous Year	Rs. 29,50,300/-

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

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

Particulars	Current Year Rs. in lakhs	Previous Year Rs. in lakhs
Current Tax	70.91	44.88
Deferred Tax Liability	141.70	167.56

6. In relation of Managerial Remuneration:

Particulars	Current Year Rs. In Lakhs	Previous Year Rs. in lakhs
Salaries	42.00	44.00

7. In relation of Auditor's Remuneration:

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

8. According to the information available with the Company, there are no amounts as at 31st March, 2011, due to suppliers who constitute a "small scale industrial undertaking".

9. In relation of Foreign currency inflows and outflows :

Particulars	Current Year Rs. In Crores	Previous Year Rs.in Crores
Out go on account of Capital work in progress expense is	7.25	6.39

10. Expenditure in Foreign Currency:

Particulars	Current Year Rs. In Crores	Previous Year Rs.in Crores
Royalties & Others	4.20	4.99

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

Particulars	Current Year Rs. In Crores	Previous Year Rs.in Crores
Earning in Foreign Exchange :	17.80	19.46

12. In relation of Secured (Term) Loans:

Viceroy Hotels Limited:

- I. Term loans from IDFC Limited and Non Convertible Debentures from AXIS Bank aggregating to Rs. 126.00 crores are secured by Pari Passu first charge on the immovable and movable properties of Hyderabad Marriott Hotel and also secured against the personal guarantee of Managing Director.

- II. Term loans sanctioned by State Bank of India, State Bank of Mysore, State Bank of Indore, State Bank of Bikaner & Jaipur, Allahabad Bank, Indian Overseas Bank and UCO Bank aggregating to Rs.350.00 crores for the Chennai Hotel project are secured by Pari Passu first charge on the immovable and movable properties of Chennai hotel project and also secured against the personal guarantee of Managing Director, Mr. P.Chakradhar Reddy and Ms. P.Kameswari.
- III. Term loans sanctioned by State Bank of Mysore, State Bank of Indore, State Bank of India and Canara Bank aggregating to Rs.112.00 crores for the Bangalore hotel project are secured by Pari-Passu first charge on the fixed assets of Bangalore Project. Apart from this the loans are also secured by deposit of lease deed of 53 years pertaining to the Bangalore project and also secured against the personal guarantee of Managing Director..
- IV. Term loans from State Bank of India and Canara Bank for the Hyderabad Courtyard hotel project aggregating to Rs.95.00 crores are secured by the first parri passu charge on the fixed assets of the Courtyard hotel project and also secured against the personal guarantee of Managing Director, Mr. P.Chakradhar Reddy and Ms. P.Kameswari.
- V. Café D Lake Private Limited: Term Loan from TFCI Limited aggregating to Rs.3.87 crores are secured against the fixed and movable assets of the Eat Street and Water Front at Necklace Road, Hyderabad. The PPA/ working capital loans from Andhra Bank are secured against the current assets and credit card receivables of Minerva Coffeeshop and Blue Fox Bar & Restaurants at Himayatnagar and Ameerpet, Hyderabad. The term loan from Andhra Bank of Rs.0.78 crores are secured against the fixed assets of the Minerva Coffeeshop and Blue Fox Bar & Restaurants at Himayatnagar and Ameerpet, Hyderabad and also secured against the personal guarantee of Managing Director, Mr. P.Chakradhar Reddy and Mr. A.Vijayavardhana Reddy. The Term Loan of Rs.8.00 Crores from UCO Bank is secured by 2nd Charge on Current and Fixed Assets of the Company and also secured by collateral security of vacant land admeasuring 2926.50 sq.yards in Survey No.129/73/2&3 situated at Road No.3 Banjara Hills, Hyderabad - 500 034, owned by M/s.Deva Infrastructures Pvt. Ltd.,
- VI. Crustum Products Pvt Ltd., Term Loan from Oriental Bank of Commerce, Ameerpet, Hyderabad aggregating to Rs.8.65 crores is secured against the fixed and movable assets of the of Breadtalk outlets at Hyderabad, Mubmai, Bangalore and Gurgoan and also secured against the personal guarantee of Managing Director Mr. P.Chakradhar Reddy and Ms. P.Lakshmi Sruthi. The Term Loan of Rs.7.00 Crores from UCO Bank is secured by 2nd Charge on Current and Fixed Assets of the Company and also secured by extension of collateral security of vacant land admeasuring 2926.50 sq.yards in Survey No.129/73/2&3 situated at Road No.3 Banjara Hills, Hyderabad - 500 034, owned by Deva Infrastructures Pvt. Ltd.,
- VII. The company has availed Redeemable Non convertible Debentures aggregating Rs.50 crores from Axis Bank Limited. It is secured against the immovable and movable properties of Hyderabad Marriott. The company has created a Debenture Redemption reserve of Rs.500 lakhs for the FY2008 and during the year under review, the company has not created any Debenture Redemption reserve as the profits are in adequate. The Company has redeemed Rs. 7.25 crores of these Non convertible Debentures during the year under review.

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

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

However, during the financial year ended 31st March 2011, except Managerial remuneration no transaction were recorded between the company and any related party mentioned above, in respect of services.

14. The Company's only business is hoteliering and hence disclosure of segment-wise information is not applicable under Accounting Standard 17 — 'Segmental Information' (AS-17). There is no geographical segment to be reported.
15. Capital Work-in-Progress includes Pre- operative expenses of Rs.2843.61 lakhs pertaining to the Non- Refundable Deposit paid to the land lords for taking land on long lease of 53 years for the Bangalore hotel project.
16. Since Central Government had issued a notification No. S.O. 301 (E) dated 8th February, 2011 in exercise of the powers conferred by Section 211 (3) of the Companies Act, 1956 granting general exemption to some specified class of companies, including hotel companies, from disclosing certain information in their profit and loss account as required under Part-II of Schedule VI of the Companies Act, 1956 subject to fulfilment of few conditions, the Company has duly complied with all conditions of the notification to seek general exemption under Section 211 (4) of the Companies Act, 1956, paras 3(i)(a) and 3(ii)(d) of Part II of Schedule VI of the Companies Act, 1956 dealing with the disclosure of quantitative details of turnover of each class of goods, opening and closing stock, purchases, production and consumption of raw material in the financial statements for the financial year ended 31st March, 2011. In this regard the Board of Directors of the Company has passed necessary resolution to comply with the conditions of the notification for the same.
17. The Board of Directors of the Company has by resolution has given consent to avail of the General Circular Nos: 2/2011 and 3/2011 dated 8th February, 2011 and 21st February, 2011 respectively issued by the Ministry of Corporate Affairs, Government of India giving general exemption to the companies under Section 212(8) of the Companies Act, 1956 for not attaching the balance sheet of the subsidiaries. The Company has disclosed necessary information as required in the said Circular in the consolidated balance sheet in aggregate for each subsidiary.
18. Previous year's figures and current year's figures have been regrouped, recasted, wherever necessary to improve figures presentation.
19. The figures have been rounded off to the nearest rupee.

SIGNATURES TO SCHEDULES 1 TO 11

AS PER OUR REPORT OF EVEN DATE
FOR P. MURALI & CO.,
Chartered Accountants
Firm's Regn. No. : 007257S

FOR AND ON BEHALF OF THE BOARD

SD/-
P. MURALI MOHANA RAO
Partner
Membership No. 23412

SD/-
P. PRABHAKAR REDDY
Managing Director

SD/-
A. VIJAYAVARDHAN REDDY
Director

Hyderabad
August 13, 2011

SD/-
K. GURAVA RAJU
Chief Financial Officer

SD/-
P. LENIN BABU
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2011

Particulars	Current Year (Rs. in lakhs)	Previous Year (Rs. in lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before taxation, and extraordinary items	292.19	329.41
Adjustments for:		
Depreciation	1450.57	1292.25
Interest Expenses	2327.03	1955.55
Loss on sale of assets	1.46	0.00
Operating Profit before working capital changes	4071.25	3577.21
Trade and other receivables	999.73	291.20
Inventories	3.21	40.53
Trade payables	1449.66	5051.93
Misc. Expenses	(0.48)	(315.46)
Cash generated from operations	6523.37	8645.41
Interest paid	(2327.03)	(1955.55)
Provision on Taxation	(70.91)	(44.88)
NET CASH FLOW FROM OPERATING ACTIVITIES	4125.43	6644.98
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Sale/(Purchase) of Fixed Assets	(125.01)	(5574.45)
Capital work-in-progress, Pre-operative Expenses	(17718.43)	(20643.11)
Investments	0.00	0.00
Sale / Adjustment of Fixed Assets	(17.85)	(4.48)
NET CASH USED IN INVESTING ACTIVITIES	(17861.29)	(26222.04)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Shares Capital	0.00	0.00
Secured Loan Taken	1353.94	13523.46
Unsecured Loan	12108.71	5874.01
Share Premium and General Reserve	0.00	0.00
NET CASH USED IN FINANCING ACTIVITIES	13462.64	19397.47
NET INCREASE IN CASH AND CASH EQUIVALENTS	(273.22)	(179.59)
Cash and Cash equivalents (Opening Balance)	329.67	509.26
Cash and Cash equivalents (Closing Balance)	56.45	329.67

AS PER OUR REPORT OF EVEN DATE
FOR P. MURALI & CO.,
Chartered Accountants
Firm's Regn. No. : 007257S

SD/-

P. MURALI MOHANA RAO
Partner
Membership No. 23412

Hyderabad
August 13, 2011

FOR AND ON BEHALF OF THE BOARD

SD/-

P. PRABHAKAR REDDY
Managing Director

SD/-

A. VIJAYAVARDHAN REDDY
Director

SD/-

K. GURAVA RAJU
Chief Financial Officer

SD/-

P. LENIN BABU
Company Secretary

Statement pursuant to Section 212 (8) of the Companies Act, 1956
about the financial information of the Subsidiary Companies as on March 31, 2011

Rs. in Lakhs

Name of the Subsidiary company	Café D' Lake Pvt. Ltd.	Crustum Products Pvt. Ltd.	Minerva Hospitalities Pvt. Ltd.	Viceroy Banglore Hotels Pvt. Ltd.	Viceroy Chennai Hotels & Resorts Pvt. Ltd.
Issued and Subscribed Share Capital	274.45	400.00	466.92	1.00	1.00
Reserves	1512.04	15.35	(52.97)	-	-
Total Assets	4787.77	2728.81	774.66	17.48	1.00
Total Liabilities	3001.28	2313.46	360.71	16.48	-
Details of Investment (Except in case of investment in subsidiaries)	-	-	-	-	-
Turnover/Total Income	2990.21	614.37	0.37	-	-
Profit before taxation/(Loss)	358.22	36.57	0.37	-	-
Provision for taxation	73.58	13.31	-	-	-
Profit after taxation/loss	284.64	23.26	0.37	-	-
Proposed dividend	-	-	-	-	-
Number of shares held by Viceroy Hotels Limited along with its nominees	27,44,530	40,00,000	46,69,267	10,000	10,000
Extent of interest held by Viceroy Hotels Limited along with its nominees	100%	100%	100%	100%	100%

Notes:

1. The Ministry of Corporate Affairs (MCA), Government of India, New Delhi vide its Circular No.2/2011, dated 08-02-2011 has granted a general exemption to all the Companies for not attaching the Balance Sheets, Profit & Loss account etc., of Subsidiaries with the Annual Report of the Holding Company, Subject to the compliance of the conditions specified therein.
2. The Company will make available the Annual Accounts of the Subsidiary Companies and the related detailed information sought by the members of the company or its subsidiaries. Further, the annual accounts of the subsidiary companies will also be kept for inspection by any member of the company or its subsidiary at the registered office of the company and that of the subsidiary company concerned.



VICEROY

VICEROY HOTELS LIMITED

Registered Office : 8-2-120/115/14, 5th Floor, Shangrila Plaza, Road No.2, Banjara Hills, Hyderabad-500034, AP

ATTENDANCE SLIP

Name of the Shareholder/Proxy Present: _____

DP ID No.: _____ Regd. Folio No. : _____

Client ID No. : _____ No. of Shares held : _____

I/We hereby record my presence at the 46th Annual General Meeting of the members of the Company to be held on Tuesday, the 27th day of September, 2011 at 11.00 A.M at Hotel Marriott Convention Centre, Lower Tank Bund, Gandhinagar, Hyderabad-500080, AP.

Shareholders/Proxy's Signature _____

Note:

Shareholders attending the meeting in person or by proxy are required to complete the attendance slip and hand it over at the entrance of the meeting hall and no gifts / gift coupons will be distributed at the Annual General Meeting.



VICEROY HOTELS LIMITED

Registered Office : 8-2-120/115/14, 5th Floor, Shangrila Plaza, Road No.2, Banjara Hills, Hyderabad-500034, AP

PROXY FORM

DP ID No. : _____ Regd. Folio No. : _____

Client ID No. : _____ No. of Shares held : _____

I/We _____ of _____ being a Member(s) of above named Company, hereby appoint _____ of _____ or failing him/her _____ of _____ as my/our proxy to attend and vote for me/us, on my/our behalf of the 46th Annual General Meeting of the Company to be held on Tuesday, the 27th day of September 2011 at 11.00 AM at Hotel Marriott Convention Centre, Lower Tank Bund, Gandhinagar, Hyderabad-500080, AP and at any adjourned meeting thereof.

Signed _____ this September of 2011

Signature of the Shareholder _____

Affix Re. 1/- Revenue Stamp.

Note:

The proxy in order to be effective should be duly stamped, completed, signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.



VICEROY

INTENTIONALLY LEFT BLANK

If Undelivered Please Return to :



Viceroy Hotels Limited

Registered Office :

8-2-120/115/14, 5th Floor, Shangrila Plaza, Opp. KBR Park,

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

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

E-mail : secretarial@viceroyhotels.com Website : www.viceroyhotels.com