



APOLLO SINDOORI HOTELS LIMITED

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CORPORATE INFORMATION

P. Vijayakumar Reddy
Chairman

Dr. Prathap C. Reddy
Suneeta Reddy
V.J. Chacko
Suresh R. Madhok
Preetha Reddy
Shobana Kamineni
G. Venkatraman
Directors

Sucharitha Reddy
Managing Director

Sindoori Reddy
Jt. Managing Director

S.T. Nithyanandam
Sr. General Manager (Opns)

C. Natarajan
Sr. General Manager (Admn)

L.Paulpandi Jeyasingh
Chief Finance Officer

BANKERS

Kotak Mahindra Bank, Teynampet
UTI Bank Ltd. Dr. Radha Krishnan Salai
Union Bank of India, Chamiers Road
Indian Bank, Nungambakkam
Canara Bank, Park Town Branch,

AUDITORS

R. Subramanian & Co.
Chartered Accountants
Chennai -600004.

REGISTRARS & SHARE TRANSFER AGENTS

M/s Cameo Corporate Services Limited
No. 1, Club House Road,
Chennai - 600004.

Registered & Corporate Office:

Apollo Sindoori Hotels Ltd.,
19-B, Anugraha Apartments,
41. Uthamar Gandhi Salai,
Nungambakkam, Chennai - 600 034.

Travels Division

The Sindoori Travels
19-B, Anugraha Apartments,
41. Uthamar Gandhi Salai,
Nungambakkam, Chennai -600 034



NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the Tenth Annual General Meeting of the members of M/s. Apollo Sindoori Hotels Limited will be held at 11.00 a.m. on Saturday, the 27th September 2008, at Raaga Sudha Hall (beside Nageshwara Rao park), Old No.85/2, New No. 16, Luz Avenue, Luz, Mylapore, Chennai – 600 004, Ph.No. 044 24992672 to transact the following business:-

ORDINARY BUSINESS

1. To consider and adopt the Profit & Loss account for the year ended 31.03.2008 and the Balance Sheet as at that date together with the Auditor's report and Directors report thereon.
2. To appoint a director in the place of Mrs. Shobana Kamineni who retires by rotation and being eligible offers herself for reappointment.
3. To appoint a director in the place of Mr. G. Venkatraman, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint auditors and fix their remuneration. M/S. R. Subramanian & Co, Chartered Accountants, Chennai, retire and are eligible for reappointment.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification(s), the following Resolutions as Special Resolutions.
 - a. "RESOLVED THAT pursuant to the provisions of Section 372A and any other applicable provisions, if any, of the Companies Act, 1956 or of any other law for the time being in force, the Board of Directors of the Company, be and is hereby authorized to make investments in excess of 60% of the paid up share capital and free reserves of the Company or 100% of the free reserves of the Company whichever is more in units of Mutual Funds and/or Shares of other Bodies Corporate as they may, in their absolute discretion deem beneficial and in the interest of the Company, up to an aggregate amount of Rs. 5 Crores".
 - b. "RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be deemed expedient and necessary to give effect to this resolution".

By Order of the Board

Place: Chennai
Date: 30.06.2008

Sindoori Reddy
Jt. Managing Director



NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM DULY SIGNED BY THE SHARE HOLDER(S) OR THE INSTRUMENT APPOINTING THE PROXY AND THE POWER OF ATTORNEY OR OTHER AUTHORITY IF ANY UNDER WHICH IT IS SIGNED OR A NOTARIALLY CERTIFIED COPY OF THE POWER OR AUTHORITY SHALL BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE, SECRETARIAL DEPARTMENT AT 19-B, ANUGRAHA APARTMENTS, 41, NUNGAMBAKKAM HIGH ROAD, NUNGAMBAKKAM, CHENNAI-600 034 NOT LATER THAN 48 HOURS BEFORE THE MEETING.**
2. An explanatory statement pursuant to section 173 of the Companies Act, 1956 in respect of items no. 5 is annexed.
3. The Register of Members and Share transfer books of the company will remain closed from 19.09.2008 to 27.09.2008 (both days inclusive).
4. Members requiring clarifications on the accounts may send their queries to reach the Secretarial Department at least 7 days before the date of the Annual General Meeting.
5. a) Pursuant to the provisions of Section 205A (5) of the Companies Act, 1956, as amended, final dividend for the financial year ended 31st March 2003 and 31st March 2004, which remain unclaimed for the period of 7 years from the date of transfer of the same to the unclaimed dividend account as referred to in sub-section (1) of Section 205A of the Act, will be transferred to the Investor Education and Protection Fund (IEP Fund) of the Central Government. Shareholders who have not encashed the dividend warrant(s) so far for the financial years ended 31st March 2003 or 31st March 2004 are requested to make their claim to the Secretarial Department, No.19-B Anugraha Apartments, 41 Uthamar Gandhi Salai, Nungambakkam High Road, Chennai 600 034.

Financial Year ended	Date of Declaration of Dividend	Last Date for claiming unpaid Dividend
31.3.2003	22.9.2003	5.8.2011
31.3.2004	30.9.2004	6.7.2012

- b) The unclaimed Share application money of Rs.73, 001 will also be transfer to Investor Education and Protection Fund (IEPF) upon the expiry of Seven years from the date on which the same is due and payable. It may also be noted that once the unclaimed, dividend and share application money are transferred to the IEP Fund as above, no claim shall lie in respect there of.



6. Members holding shares in physical form are requested to intimate the following directly to the Company's Registrars and Share transfer Agents, M/s.Cameo Corporate Services Limited, No.1 Club House Road, Chennai 600 004.
 - a) Changes, if any, in their address at an early date.
 - b) Apply for consolidation of folios, if shareholdings are under multiple folios.
 - c) Send their share certificates for consolidation.
 - d) Request for nomination forms for making nominations as per amended provisions of the Companies Act, 1956.
7. All documents referred to in the accompanying Notice are available for inspection at the Registered Office of the Company on all working days between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting.
8. In case of dematerialized shares, the change of address intimations, etc should be directly sent to the Depository Participants concerned.
9. Pursuant to Clause No.41 of the Listing Agreement with Stock Exchange

Item No. 2

Mrs. Shobana Kamineni is a nominee director on behalf of AHEL. She holds a Bachelor's Degree in Economics and around 23 years of experience in the Health Care Industry, largely in the sphere of project management, which includes the establishment of large project by the Apollo group. She is the Chairperson of the CII National Committee on Entrepreneurship and CII(Southern Region) social Development sub-committee and is currently actively involved in the development of pharmaceutical retailing supply chain management , clinical trails and the Apollo group's foray into health insurance.

Mrs.Kamineni has served on the recent National Games Marketing Committee. She is also involved in social development for Women and revival of handicrafts and serves on the young Lives – save the Children, United Kingdom that is a part of centre for Economics and Social Studies.

Shareholding in the Company:

Mrs. Shobana Kamineni holds 79,086 Equity Shares in the Company.

Memorandum of Interest of Directors:

Mrs. Shobana Kamineni may be deemed to be concerned or interested in passing of this resolution.

Dr. Prathap C. Reddy, Mrs. Sucharitha Reddy, Mrs. Suneeta Reddy, Mrs. Preetha Reddy, Mrs. Sindoori Reddy, and Mr. P. Vijayakumar Reddy, who are relatives of Mrs. Shobana Kamineni is deemed to be concerned in passing of the Resolution.

Item No. 3:

Shri. G. Venkatraman serves as a Director of the Company since December 2005.



Shri G Venkatraman is an Economics graduate and Post Graduate in law from University of Bombay and a Certified Associate ship of the Indian Institute of Bankers (CAIIB).

Shri Venkatraman served with IDBI and retired as its Chief General Manager in November 2004 after 39 years of varied experience in developmental banking experience.

He headed the Chandigarh Branch office of IDBI and Western Zonal office of IDBI for three years each. He has also represented as IDBI's Nominee on the Boards of large Corporate during the tenure of his services.

Shri. Venkatraman is a Director on the Board of PPN Power Generating Company Pvt Ltd (PPN), State Industries Corporation of Maharashtra Limited (SICOM), SICOM Investment and finance Ltd., Fortune Foods Ltd (FFL) and Apollo Hospitals Enterprise Limited.

He is a member of Audit Committee of the Company and also of Apollo Hospitals Enterprise Limited. He chairs the Audit Committee of State Industrial and Investment Corporation of Maharashtra Limited. He is also a member of the Remuneration & Nomination Committee of the Company.

Shareholding in the Company:

Shri. G. Venkatraman does not hold any Shares in the Company.

Memorandum of interest of Directors:

Shri. G. Venkatraman may be deemed to be concerned or interested in passing of this resolution.

None of the other Directors is interested in the passing of the resolution.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956

Item no. 5:

Your company proposes to invest the surplus funds available with the company in profitable investment opportunities such as units of mutual funds and shares of other Bodies Corporate through the primary and secondary market. Section 372A Of The Companies Act,1956, requires the prior consent of the members by a special resolution when the aggregate of loans and investments and the amounts for which guarantee or securities so far provided to or in all other bodies corporate, along with the investment, loan, guarantee or security proposed to be made or given by the board, exceeds the permissible limits as allowed under the above referred section .Since the proposed investment will exceed the limits prescribed under section 372A of the Companies Act,1956 consent of the Members is sought for the above resolution.

None of the Directors are concerned or interested in the above resolution.

By Order of the Board

Place: Chennai
Date: 30.06.2008

Sindoori Reddy
Jt. Managing Director



DIRECTORS REPORT

REPORT OF THE DIRECTORS' FOR THE FINANCIAL YEAR ENDED 31.03.2008

Your Directors have pleasure in presenting herewith the Tenth Annual Report and the Audited Statement of Accounts for the Financial Year ended 31st March, 2008.

FINANCIAL RESULTS

PARTICULARS	(Rupees in Lacs)	
	Year ended 31.03.2008	Year ended 31.03.2007
Sale and Other Income	3186.68	2604.30
Profit from Operations	111.76	91.33
Financial Charges	12.86	16.10
Depreciation and Amortization	22.60	13.83
Exceptional Items	13.40	9.87
Profit / (Loss) before Tax	62.90	51.53
Add: Deferred Tax Asset	28.13	—
Less: Provision for Taxation	17.45	24.50
Less: Income Tax for earlier years	8.74	—
Profit / (Loss) after Tax	64.84	27.03
Profit / (Loss) brought forward from Previous Year	(54.55)	(81.58)
Profit / (Loss) carried to Balance Sheet	10.29	(54.55)

FINANCIAL REVIEW

Sales and other income during the year under review has increased to Rs. 3186.68 Lacs in comparison to Rs. 2604.30 Lacs in the previous year (2006-2007). During the year under review the Profit before Tax of the Company has increased from Rs. 51.53 Lacs to Rs. 62.90 Lacs. Profit after Tax, after adding Rs.28.13 Lacs (Deferred Tax Asset), is Rs. 64.84 Lacs during the year as compared to Rs. 27.03 Lacs in the previous year (2006-2007).

Your company has agreed to transfer the Housekeeping business to a newly formed Joint Venture Company during the year under review. However due to the apprehensions expressed by the Joint Venture partner about the assimilations of Standard Operating Procedures and the lack of infrastructure and resources of the Joint Venture Company, some of the house keeping contracts were transferred on experimental basis and on the condition that any Profit or Loss arising out of the operation of the Joint Venture Company in relation to the said contracts shall accrue to your company during the trial period. The processes have been completed during this year and your Company has already received Rs.1.88 Crores in August 2008 as part payment.



DIVIDEND

Your Board of Directors has decided to conserve the profits for future development, expansion and investment, and not to recommended any dividend, for the financial year under review.

STATUS ON FOREIGN COLLABORATION

During the year, your company has entered into a Joint Venture with Faber Group Berhad (FABER) which is a member of the UEM group, and listed on the main board of Bursa Malaysia Securities Berhad. Faber group has a Net worth of INR 3,524 Million, Turnover of INR 7,965 Million and an EBITDA of INR 1,516 Million for the year ended 31st December 2007. From a Malaysian Hospitality concern, Faber has grown into a key player in Integrated Facilities Management in both the Healthcare and Non-Healthcare sectors. Through strategic partnerships Faber has extended its operations to overseas markets in the ASEAN, India and Middle East Regions.

As the special purpose vehicle namely Faber Sindoori Management Services Pvt Ltd, was set up in India where Faber Facilities Sdn Board holds 51% and your company holds 49%. This JVC has already secured an order for Facility Management Services at the prestigious Rajiv Gandhi International Airport at Shamshadbad, Andhra Pradesh. It is also vigorously following new avenues in the Facility Management Services which is becoming a very lucrative business in India.

OUTLOOK

The Indian Economy is experiencing a robust growth due to Globalization. The real GDP growth rate is 8.7% for the year 2007-2008 (Source: Central Statistical Organization), whereas the service sectors like transport, communication, hotels, travels have grown more than 12% per annum. Though the travel industry is growing, Airlines are facing problem with increasing competition from low cost airlines and rising oil prices and other inputs. As the Airlines are on the cost cutting mode, the agency commissions so far paid by the Airlines are under pressure and it may affect the future of the Travel agencies.

The development of infrastructure such as highways, airports, power and communications has ensured that there will be a continuous demand for services like food & beverage and facility management services.

OPPORTUNITIES

There are very few organized caterers in the country catering to the need of the corporate sector. The catering business to the premium segment of the client will ensure higher margin and add value to the brand. The company's main growth driver is the F&B business. Soon it expects to emerge as a National Player.

From the days of Sindoori Hotels, 1986, your Company has established a good brand name in resonance with quality food and services, which translated good business from IT majors like WIPRO and others. IT industry is likely to touch INR 5.3 Trillion in 2012 from INR 2.4 Trillion in 2007 (Source: IDC, India), the IT industry is growing of 16.5 percent per annum. Hence, we could expect much better results from our Catering Business.



Based on the experience gained and based on the brand image in the Food and Beverage, ASHL started supplementing its F&B operations with the functions of a service provider to the Apollo Hospitals and to all other Healthcare units. It will also focus its operations in Healthcare Nursing Hostels and other Training Centres. The Foot hold already established in the Food & Beverage Operation will be further maximized.

THREATS

The company does not own a hotel for its F&B business, which affects the brand. Also the catering management contracts for hospitals, nursing hostels and corporate clients if not renewed on expiry or terminated before expiry could result in loss of revenue and profits. The natural calamities and economic conditions may also pose problems to the profitability.

CAUTIONARY STATEMENT

The management discussion and analysis is presented, keeping the Company's Objectives in mind, and the estimates made in achieving them. The results may vary depending on the country's economic condition, government policies, amendment in tax laws and other factors both internal and external.

INTERNAL CONTROL SYSTEM & THEIR ADEQUACY

The company has now adequate and well established internal control system commensurate with the size and nature of business. The internal audit is being carried out in consultation with an internal auditor by the audit committee of the board. The audit committee meets periodically and reviews the adequacy and effectiveness of the internal control system and suggests improvements and monitors their implementation.

DIRECTORS

In terms of the provisions of Section 255 and 256 of the Companies Act, Mrs. Shobana Kamineni and Mr. G. Venkatraman retire by rotation at this Annual General Meeting as per the provisions of the Articles of Association of Company and being eligible offer themselves for re-election.

DIRECTOR RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the companies Act, 1956, Board of Directors of the company hereby state and confirm that:

- a) In the preparation of Annual Accounts, the applicable Accounting Standards has been followed along with proper explanation relating to material departures, if any.
- b) The Directors have selected such Accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true & fair view of the state of affairs of the company at the end of the financial year 31st March 2008 and of the Profit of the Company for that period.



- c) The Directors have taken proper & sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing & detecting frauds and irregularities.
- d) The Directors have prepared the Annual Accounts on a Going Concern basis.

AUDITORS

Shareholders are requested to appoint the auditors of the company M/s R. Subramanian, who retire as auditors of the company at ensuing Annual General Meeting and are eligible for reappointment.

REPLY TO AUDITORS REMARKS

Point No. 6(a) of Auditors Report Note no.7 regarding non-funding of liability for gratuity.

The management is taking all possible steps to obtain actuarial valuation from the approved valuer and necessary funding will be provided from the next financial year based on the above actuarial valuation.

Point No.6 (b) of Auditors Report Note No. 9 regarding impairment of Assets.

The correct position will be ascertained and provided for ,if necessary, after the finalization of the arbitration proceedings and the award. In our opinion, at this stage no additional provision is warranted.

FIXED DEPOSITS

Company has not accepted any Deposits from the Public during the year under review.

INSURANCE

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

LISTING

The shares of the company are listed on Madras Stock Exchange. The Company has paid the annual Listing fees for the year 2008-09.

CORPORATE GOVERNANCE

The Company has been already implementing the requirements of the code of Corporate Governance in accordance with the listing agreement to the extent applicable for a Company of this size. The Management Discussion and Analysis of the financial position of the Company forms part of the Annual Report. No separate report on Corporate Governance is appended.

SECRETARIAL COMPLIANCE

The Secretarial Compliance Report as required under the provisions of notification F.No.17/6/2002 CL-V of the Dept. of Company affairs, is annexed to this report.



CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

Section 217(1)(e) of the Companies Act, 1956 relating to disclosure of particulars of energy conservation & technology absorption pursuant to Companies (Disclosure of particulars in the report of Board of Directors) 1988 is not Applicable to the Company.

However the company is committed to energy conservation at every stage of its operations. Various steps have been taken to reduce consumption of electrical energy by improved house keeping services and monitoring the use of equipment etc.

FOREIGN EXCHANGE EARNINGS AND OUTGO

There was no earning or outgo of Foreign Exchange during this period.

PARTICULARS OF EMPLOYEES UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956:-

There are no employees drawing remuneration exceeding the monetary ceiling prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

STAFF

The Directors record their grateful appreciation of the co-operation and efforts of all the members of the Staff and Executives in the Company's activities and operations.

INDUSTRIAL RELATIONS AND HUMAN RESOURCE

The Company has about 1400 employees in its roll. Since employees contribute in achieving the goal of the Company, periodical training programmes are carried out to meet the challenges in providing services to the best of Customers Satisfaction.

The Human Relations remained Cordial throughout the year.

ACKNOWLEDGEMENT

Your Company & Directors wish to extend their sincere thanks to the Investors, Bankers, Customers, Business Associates, Suppliers and Government for their continuous co-operation and Assistance, Directors would like to place on record their deep sense of appreciation and thanks to all the Government Authorities, Bankers and Shareholders for their valuable assistance, support and co-operation, and look forward to the same in the years to come.

For and on behalf of the Board

V.J.Chacko
Director

Sindoori Reddy
Joint Managing Director

Place: Chennai
Date: 30.06.2008



AUDITORS REPORT

Report of the Auditors to the Members of Apollo Sindoori Hotels Limited

- 1) We have audited the attached Balance Sheet of Apollo Sindoori Hotels Limited as at 31st March 2008, the Profit and Loss Account and also the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) 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 statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Companies (Auditors Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) 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 to the extent they are applicable to the company.
- 4) Further to our comments in the annexure referred to above, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the company, so far as it appears from our examination of such books.
 - c) The Balance Sheet and Profit and loss account referred to in this report are in agreement with the books of account produced.
- 5) On the basis of written representations received from directors and taken on record by Board of Directors, we report that none of the director is disqualified as on 31st March 2008 from being appointed as director in terms of clause (g) of sub-section (1) Section 274 of the Companies Act 1956
- 6) **Attention is invited to the following:-**
 - (a) **Note No. 7 regarding provision of Gratuity and leave encashment being provided based on estimated valuation as per the past practices instead of**



acturial valuation as per in Accounting Standard No 15 (AS15) (Revised 2005) of the Institute of Chartered Accounts of India. Liability if any required on account of such valuation is not ascertainable at this stage.

(b) Note No. 9 regarding impairment of assets based on the valuation adopted by the company pending out come of arbitration which involves certain claims towards the compensation loss / diminution in value of certain assets in respect of erstwhile / leased premises. The additional provision if any required to be made on account of impairment of assets consequent to the arbitrator award is not ascertainable at this stage and not provided for and accordingly the impact if any is also not ascertainable.

- 7) In our opinion and to the best of our information and according to the explanations given to us the said accounts read together with the notes thereon and schedules attached thereto, subject to observation in para 6 above 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.
- i) In the case of the Balance Sheet, of the state of affairs of the company as at 31st March 2008;
 - ii) In the case of Profit and loss account of the profit for the year ended on that date; and
 - iii) In the case of Cash flow statement of the cash flows for the year ended on that date.

**For R.Subramanian and Company
Chartered Accountants**

**Place: Chennai
Date: 30.06.2008**

**R.Rajaram
Partner
M.NBo.25210**



Annexure Referred To In Paragraph 3 Of Our Report Of Even Date:

- i. (a) The Company is maintaining records which are in the process of being updated showing full particulars, including quantitative details and situation of fixed assets.
(b) Fixed Assets were physically verified during the year by the management, in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. As per the information made available to us no material discrepancies have been noticed on such verification.
(c) Substantial part of the fixed assets has not been disposed off during the year affecting Going-Concern.
- ii. (a) Physical verification of Inventory has been conducted at reasonable intervals by the management.
(b) The procedures of 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.
(c) Proper records of inventory have been maintained by the company and material discrepancies noticed on Physical verification have been properly dealt with in the books of the company.
- iii. During the year, the company has not availed any loan from companies listed in the Register maintained under section 301 of the Companies Act, 1956.
- iv. During the year, the company has not granted Loans to companies, Firms or other parties listed in the Register maintained under section 301 of the Companies Act, 1956.
- v. In our opinion and according to the information and explanations given to us, internal control procedures need to be strengthened commensurate with the size of the company and the nature of its business for the purchase of Fixed Assets and for the rendering of services. During the course of audit, we have not observed any continuing failure to correct major weakness in Internal Controls.
- vi. (a) The particulars of contracts or arrangements referred to section 301 of the Companies act have been entered in the register required to be maintained under that section.



- (b) The transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vii. The company has not accepted any fixed deposits from the public during the year requiring compliance of provisions of Section 58 A and 58 AA or any other relevant provisions of the Companies Act 1956.
- viii. The Company has an internal audit system commensurate with the size and the nature of business.
- ix. The Central Government has not prescribed the Maintenance of Cost records under Section 209(1) (d) of the Companies act, 1956 for any of the products of the company.
- x. (a) According to the information and explanations given to us, the company has been depositing undisputed statutory dues including Employees Provident fund, Employees' State Insurance, Investor protection fund, Income tax, Sales tax, Wealth tax, Service tax, and any other statutory dues with the appropriate authorities during the year. However delays have been observed in payment of Employees Provident fund and Employees state insurance and tax deducted at source on certain months.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax ,service tax were in arrears as at 31.03.2008 for a period of more than six months from the date they became payable and have been remitted subsequently in 2008 - 2009
- | Details of dues | Amount Rs. |
|------------------------|------------|
| Tax deducted at source | 25, 11,516 |
| Service Tax | 34, 43,590 |
- xi. The Company's accumulated losses are not more than 50% of its Net worth The Company has not incurred Cash losses during current year and in the immediately preceding financial year.
- xii. The Company has not defaulted in the repayment of dues to Debenture holders, financial institution or bank.
- xiii. The Company has not granted any loan or advance on the basis of Security by way of pledge of shares, Debentures and other securities.



-
- xiv. The provisions of Special Statute relating to Chit fund/Nidhi are not applicable to this company.
- xv. The Company is not dealing in or trading in shares, securities, debentures and other Investments.
- xvi. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Bank or Financial Institutions during the financial year.
- xvii. To the best of our knowledge and belief and according to the information and explanation given to us, no term loan was availed by the company during the current year.
- xviii. According to the Cash flow statement and other records examined by us and based on the information and explanations given to us, on an overall basis, funds raised on short term basis have not been used for Long term investment.
- xix. During the year Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act 1956.
- xx. No debentures have been issued by the Company during the year.
- xxi. The Company has not raised any money by way of Public issue during the year.
- xxii. To the best of our knowledge and according to information and explanations given to us, no fraud on or by the company was noticed or reported during the financial year that causes the financial statements to be materially misstated.

**For R.Subramanian and Company
Chartered Accountants**

**Place: Chennai
Date: 30.06.2008**

**R.Rajaram
Partner
M.NBo.25210**



COMPLIANCE CERTIFICATE

Registration No. 18-041360

Authorised Capital: Rs. 5 00,00,000/-

To,

The Members,

M/s. APOLLO SINDOORI HOTELS LIMITED

We have examined the registers, records, books and papers of **M/s. APOLLO SINDOORI HOTELS LIMITED** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31st March, 2008**. In our opinion and to the best of our information and according to the examinations carried out by us, information, explanations and declarations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year: -

1. The company has kept and maintained registers as stated in **Annexure 'A'** to this certificate, as per the provisions and the rules made there under and all entries therein have been recorded.
2. The company has filed forms and returns as stated in **Annexure 'B'** with the Registrar of Companies during the financial year under review at the time stated in the said annexure.
3. The company being a public limited company the applicability of Section 3(1)(iii) does not arise.
4. The Board of Directors met **4 (FOUR) times** on **22.05.2007, 30.06.2007 which was adjourned to 24.07.2007, for want of quorum, 29.10.2007 and 31.01.2008** in respect of which meetings the proceedings were recorded including the circular resolutions passed in the Minutes Book maintained for the purpose except for the world meeting held on **30-6-2007**.
5. The company closed its Register of Members and/or Debenture Holders from **21.09.2007 to 29.09.2007** and has complied with provisions of Section 154.
6. The Annual General Meeting of the company for the financial year ended on **31.03.2007** was held on **29.09.2007** after giving due notice to the members of the company and the resolutions passed thereat were recorded in Minutes Book maintained for the purpose.
7. The Approval of Shareholders had been obtained through Postal Ballot on **12.09.2007** for Transfer of Existing Business of House Keeping Services (Part of undertaking of



the Company) to a Joint Venture Company **U/s 293(1) (a)**, and Amendment of Object Clause (**Clause III (A)**) of the Memorandum of Association **U/s 17** for the company Act, 1956..

8. As per the information, explanation and declaration furnished by the management, the company has not advanced any loan to its directors and/or persons or firms or companies referred in the section 295 of the Act during the financial year under review.
9. As per the information, explanation and declaration furnished by the management, the company has not entered into any contracts to which the provisions of section 297 of the Act are applicable during the financial year under review.
10. The company has made necessary entries in the register maintained under section 301 of the Act.
11. In the opinion of the management, as there was no instance falling within the purview of section 314 of the Companies Act, 1956, the question of obtaining any approval from the Board of Directors, members, Central Government during the financial year under review does not arise.
12. The Board of Directors had not received any request for issue of duplicate share certificates during the financial year under review.
13. The Company, during the financial year under review, has:
 - (i) Delivered all share certificates on lodgement thereof for transfer of shares in accordance with the provisions of the Act and there was no allotment/ transmission of shares during the financial year under review.
 - (ii) Not declared any dividend/interim dividend during the financial year and hence the question of opening of a separate bank account with in the stipulated period does not arise.
 - (iii) Not declared any dividend/interim dividend, the question of payment/posting of dividend warrants with in the stipulated time and transfer of unpaid/ unclaimed dividend to “unclaimed dividend account” of the company does not arise.
 - (iv) No unpaid dividend, application money due for refund, matured deposits, matured debentures and the interest accrued thereon, which has remained unclaimed or unpaid for more than seven years to be transferred to Investor Education and Protection Fund.
 - (v) Generally complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is generally well constituted and there was no appointment of any directors, alternate directors, additional director and directors to fill casual vacancies were made during the financial year under review.



15. The Company has appointed Joint Managing Director during the financial year after passing necessary Board resolution and has complied with the provisions of section 269 read with Schedule XIII of the Companies Act 1956
16. The Company has not made any appointment of sole-selling agents during the financial year under review.
17. The Company has no transaction, which necessitated the Company to seek any approval from the Central Government, Company Law Board, Regional Director, except the approval obtained from the Registrar of Companies for amendment of the object clause of Memorandum of Association during the financial year under review.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The company has not made any issue of shares/debentures/other securities during the financial year under review.
20. The company has not bought back shares during the financial year under review
21. The company has not issued any Preference Shares/debentures, hence the question of redeeming any preference shares / debentures does not arise.
22. During the financial year under review the company has not kept in abeyance right to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. According to the information and explanation given by the management the company has not accepted any deposits from the public and outsiders and hence, the question of complying with the provisions of Sections 58A and 58AA read with Companies (Acceptance of Deposit) Rules, 1975 does not arise.
24. The amount borrowed by the Company from Banks during the financial year ending 31.03.2008 is within the borrowing limits of the company and that necessary resolutions as per section 293(1)(d) of the Act have been passed in duly convened annual general meeting.
25. According to the information and explanation given by the management the company has made investments in Equity shares of a Body Corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose but however the company has not made any loans/given guarantees or provided securities to other bodies corporate during the financial year under review.
26. The company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the financial year under review.
27. The company had altered the provisions of the memorandum with respect to the objects of the company after obtaining approval of the members through postal ballot



on 12.09.2007 and the amendments to the Memorandum of Association have been duly registered with the Registrar of Companies.

28. The company has not altered the provisions of the memorandum with respect to name of the company during the financial year under review.
29. The company has not altered the provisions of the memorandum with respect to share capital of the company during the financial year under review.
30. The company has not altered its articles of association during the financial year under review.
31. As per the information and explanations given by the management, no prosecution has been initiated against the Company or no show cause notices has been received by the company for any alleged offences under the Act and hence the question of fine or penalties does not arise.
32. The company had not received any amount as security from its employees during the financial year under certification and hence compliance with the provisions of section 417(1) of the Act does not arise.
33. The company has not constituted it's own Provident Fund pursuant to the provisions of Section 418 of the Companies Act, 1956. However the company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to the provisions of Provident Fund Act with some marginal delay.

Place : Chennai

Signature :

Date : 30.06.2008

Name of Company Secretary : LAKSHMI SUBRAMANIAN

C. P. No. : 1087

Annexure A

Registers as maintained by the Company

1. Register of Members u/s 150 of the Companies Act, 1956 (Computerized)
2. Register of Transfers (Computerized)
3. Register of Debenture holders u/s 152 of the Companies Act, 1956
4. Register of Investment u/s 372 A of the Companies Act, 1956
5. Register of Directors u/s 303 of the Companies Act, 1956
6. Register of charges u/s 143 of the Companies Act, 1956
7. Register of Directors Shareholdings 307 of the Companies Act, 1956



8. Register of Contracts, Companies and Firms in which Directors of the Company are interested u/s 299, 301 and 301(3) of the Companies Act, 1956
9. Minutes of the Annual General Meeting/Extra Ordinary General Meeting & Board Meetings u/s 193 of the Companies Act, 1956

Annexure B

*Forms and Returns as filed by the Company with the Registrar of Companies, during the financial year ending on **31st March 2008***

Name of the Document	Date of Event	Date of filing	Due Date	Remarks
Annual Return	29.09.2007	28.11.2007	28.11.2007	InTime
Balance Sheet	31.03.2007	27.10.2007	28.10.2007	In Time
Compliance Certificate	29.09.2007	27.10.2007	28.10.2007	In Time
Form 8	15.06.2007	24.08.2007	14.07.2007	Belatedly
Form 32	17.08.2007	11.10.2007	16.09.2007	Belatedly
Form 32	30.10.2007	04.02.2008	29.11.2007	Belatedly
Form 25 C	17.08.2007	12.11.2007	16.09.2007	Belatedly
Form 23	24.07.2007	11.10.2007	23.08.2007	Belatedly
Form 23	12.09.2007	11.10.2007	11.10.2007	In Time
DIN 3	Filed on	21.07.2007		
DIN 3	Filed on	29.09.2007		



BALANCE SHEET AS AT 31ST MARCH 2008 (AUDITED)

PARTICULARS	SCHEDULES	AS AT 31-03-2008 RS.	AS AT 31-03-2007 RS.
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	A	13,002,000	13,002,000
Reserves and Surplus	B	8,381,773	7,352,676
		<u>21,383,773</u>	<u>20,354,676</u>
Loan Funds:			
Secured & Unsecured	C	4,205,502	15,642,034
Total		<u>25,589,275</u>	<u>35,996,710</u>
APPLICATION OF FUNDS			
Fixed Assets			
Original Cost	D	16,565,535	16,296,064
Less: Depreciation and amortization		13,173,327	10,916,974
Net book value		3,392,208	5,379,090
Investments	E	131,000	31,000
Deferred Tax Asset		4,320,300	1,506,688
Total (a)		<u>7,843,508</u>	<u>6,916,778</u>
Current Assets, Loans and Advances			
Current Assets			
Inventories		605,917	1,190,082
Sundry Debtors		37,771,419	33,642,330
Cash and Bank Balances		2,636,132	2,960,688
Loans and Advances		31,823,891	19,609,945
		<u>72,837,359</u>	<u>57,403,045</u>
Less: Current Liabilities and Provisions	G	55,091,593	33,778,313
NET CURRENT ASSETS		<u>17,745,766</u>	<u>23,624,732</u>
Total (b)		<u>17,745,767</u>	<u>23,624,732</u>
Miscellaneous Expenditure	H		-
Profit and (Loss) Account (c)		-	(5,455,200)
Total (a + b + c)		<u>25,589,275</u>	<u>35,996,710</u>
Significant Accounting Policies and notes on accounts	U		

The schedules referred to above and the notes thereon form an integral part of the balance sheet
This is the balance sheet referred to in our report of even date

R. Subramanian and Company
Chartered Accountants

R. Rajaram
Partner

Sucharitha Reddy
Managing Director

V.J. Chacko
Director

For Apollo Sindoori Hotels Ltd.,

Suresh R. Madhok
Director

L .Paulpandi Jeyasingh
Chief Finance Officer

Place: Chennai
Date : 30.06.08



PROFIT AND LOSS ACCOUNT AS AT 31ST MARCH 2008 (AUDITED)

PARTICULARS	SCHEDULES	AS AT 31-03-2008 RS.	AS AT 31-03-2007 RS.
INCOME			
Food & Beverages, Banquets and Catering Services	I	41,792,822	54,642,383
Income from Management Services	J	136,058,307	89,593,196
Sale of Tickets/Travels Income	K	133,194,488	113,953,782
Other Income	L	7,622,599	2,240,956
TOTAL		318,668,216	260,430,316
EXPENDITURE			
Consumption of Provision and Stores	M	23,643,709	31,416,252
Purchase of Tickets/Travel Expenses	N	132,378,972	108,771,760
Employees Remuneration	O	122,867,142	87,594,357
Power & Fuel	P	7,814,138	5,464,330
Upkeep & Service Cost	Q	1,191,780	1,337,676
Advertisement and Publicity	R	479,952	301,547
Administration Expenses	S	19,115,915	16,411,018
TOTAL		307,491,608	251,296,939
OPERATING PROFIT BEFORE INTEREST, DEPRECIATION AND AMORTISATION		11,176,608	9,133,377
Interest		1,286,307	1,610,346
Depreciation		2,260,285	1,382,952
PROFIT/(LOSS) BEFORE TAX & EXCEPTIONAL ITEMS		7,630,015	6,140,078
Less: Exceptional Items	T	1,339,307	(986,880)
PROFIT/(LOSS) BEFORE TAX		6,290,708	5,153,198
Less: Provision for Taxation			
- Current Tax		1,184,100	2,110,000
- Previous year		874,894	-
- Deferred Tax (Net)		2,813,612	-
- Fringe Benefit Tax		561,029	340,000
PROFIT/(LOSS) AFTER TAX		6,484,297	2,703,198
Profit/(Loss) for the year		6,484,297	2,703,198
Add: Profit b/f from Previous Year		(5,455,200)	(8,158,398)
Add: Foreign Exchange Earnings Reserve written back		-	-
Balance available for appropriation		1,029,097	(5,455,200)
Appropriation			
Dividend		-	-
Dividend Tax Payable	Z	-	-
Balance Profit/(Loss) Carried to Balance Sheet		1,029,097	(5,455,200)
EARNINGS PER SHARE			
Basic & Diluted (Face Value of Rs.10/-)			
Before Exceptional Items and Income tax		5.87	4.72
After Exceptional Items and IncomeTax		4.99	2.08
Significant Accounting Policies/Notes on Accounts	U		

The schedules referred to above and the notes thereon form an integral part of the balance sheet

This is the balance sheet referred to in our report of even date

R. Subramanian and Company
Chartered Accountants

R. Rajaram
Partner

Sucharitha Reddy
Managing Director

V.J. Chacko
Director

For Apollo Sindoori Hotels Ltd.,

Suresh R. Madhok
Director

L .Paulpandi Jeyasingh
Chief Finance Officer

Place: Chennai

Date : 30.06.08



SCHEDULES TO BALANCE SHEET

PARTICULARS	SCHEDULES	AS AT 31-03-2008 RS.	AS AT 31-03-2007 RS.
SCHEDULE "A"			
SHARE CAPITAL			
Authorised Capital 5,000,000 equity shares of Rs.10 each		50,000,000	50,000,000
Issued, Subscribed and Paid up Capital			
1,300,200 equity shares of Rs.10 each		13,002,000	13,002,000
1,300,000 equity shares of Rs.10 each fully paid up were allotted pursuant to the scheme of arrangement between Om Sindoori Hotels Ltd., Apollo Hospitals Enterprise Ltd., and Sindoori Software Solutions Ltd.,(since renamed as Apollo Sindoori Hotels Ltd.,)			
Total		13,002,000	13,002,000
SCHEDULE "B"			
RESERVES AND SURPLUS			
A Capital Reserve		7,352,676	7,352,676
B Foreign Exchange earnings reserve		-	-
C Profit and Loss A/c		1,029,097	-
Total (A+B+C)		8,381,773	7,352,676
SCHEDULE "C"			
LOAN FUNDS			
SECURED LOANS			
A Term Loan UTI Bank Ltd. *		750,000	3,750,000
B Vehicle Loan (Against Hypothecation of Vehicle)		-	80,000
* Secured on the hypothecation of Machinery, Fixed Assets, Current Assets and on the personal guarantee of the Joint Managing Director			
C.Cash Credit from Bank Secured by a charge on Current Assets Present and Future and on the personal guarantee of the Joint Managing Director.		3,455,502	11,812,034
Total (A + B)		4,205,502	15,642,034



**SCHEDULES TO BALANCE SHEET
SCHEDULE "D"
FIXED ASSETS**

Amounts in Rs

PARTICULARS	ORIGINAL COST			DEPRECIATION			NET BOOK VALUE		
	Cost as at 01.04.2007	Additions during the year	Deletions during the year	Cost as at 31.03.2008	As at 01.04.2007	For the year	Deletions	As at 31.03.2008	As at 31.03.2007
Temporary Constructions	804,717	-	-	804,717	163,606	641,111	-	804,717	641,111
Computers	2,711,346	222,515	-	2,933,861	2,261,820	462,377	-	2,724,197	449,526
Electrical Installations Furniture & Fittings	1,586,479 1,712,677	- -	- -	1,586,479 1,712,677	1,227,875 1,576,613	150,716 136,064	- -	1,378,591 1,712,677	358,604 136,064
Kitchen Equipments	1,403,614	-	-	1,403,614	728,416	145,134	-	873,550	675,198
Vehicles	1,825,898	23,836	21,042	1,828,692	506,216	174,201	3,932	676,485	1,319,682
Office Equipments	1,749,599	44,162	-	1,793,761	823,550	85,204	-	908,754	926,049
Plant & Machinery	4,501,734	-	-	4,501,734	3,628,878	465,479	-	4,094,357	872,855
TOTAL	16,296,064	290,513	21,042	16,565,535	10,916,974	2,260,285	3,932	13,173,327	5,379,090
PREVIOUS YEAR	15,986,436	871,452	561,824	16,296,064	9,713,416	1,382,953	179,395	10,916,974	6,273,020



SCHEDULES TO BALANCE SHEET

PARTICULARS	SCHEDULES	AS AT 31-03-2008 RS.	AS AT 31-03-2007 RS.
SCHEDULE "E"			
INVESTMENTS			
(Non Trade, Unquoted)			
Long Term Investments at cost in Government Securities		31,000	31,000
10000 Equity Shares at Rs 10 each in Faber Sindoori Mgmt		100,000	-
TOTAL		131,000	31,000
SCHEDULE "F"			
CURRENT ASSETS, LOANS AND ADVANCES			
<u>A. CURRENT ASSETS</u>			
a. INVENTORIES			
(Valued and certified by the Management)			
Curtains & Fabrics (at depreciated value)		-	84,322
Cutleries & Crockery (at depreciated value)		-	341,379
Stores (at cost)		605,917	764,381
Ticket Stock		-	-
TOTAL		605,917	1,190,082
b. SUNDRY DEBTORS			
(Unsecured and considered good)			
Outstanding for more than 6 months		1,411,714	1,411,715
Others		36,359,705	32,230,615
TOTAL		37,771,419	33,642,330
c. CASH AND BANK BALANCES			
1. With Scheduled banks			
- In Current Account		1,272,622	1,725,359
- In Deposits Account		500,001	701,428
- In Margin Account		-	-
- In Dividend Warrant Accounts		-	61,224
2. Cash in Hand		863,509	472,678
TOTAL		2,636,132	2,960,688



SCHEDULES TO BALANCE SHEET

PARTICULARS	SCHEDULES	AS AT 31-03-2008 RS.	AS AT 31-03-2007 RS.
B. LOANS & ADVANCES			
(Unsecured and considered good)			
a. ADVANCES RECOVERABLE IN CASH OR IN KIND			
1. Staff Advances		-	1,015,682
2. Other Advances		27,105,170	15,421,792
3. Prepaid Expenses		291,703	24,238
b. DEPOSITS			
1. With Government		2,472,069	1,021,724
2. Lease Deposit		1,526,438	1,526,438
3. With others		428,511	600,071
TOTAL		31,823,891	19,609,945
SCHEDULE "G"			
CURRENT LIABILITIES AND PROVISIONS			
A. CURRENT LIABILITIES			
1. Bills Discounted		-	-
2. Sundry Creditors		9,639,759	9,434,743
3. Investor Education and Protection Fund			
a. Unpaid Dividend		43,011	43,011
b. Unpaid Application Money		73,001	73,001
4. Other Liabilities		32,943,940	12,830,447
B. PROVISIONS			
-Dividend (Including Dividend Tax)		-	-
-Taxation		4,987,842	3,285,218
-Leave Encashment		1,443,841	2,092,906
-Gratuity		5,960,199	6,018,987
TOTAL		55,091,593	33,778,313
SCHEDULE "H"			
MISCELLANEOUS EXPENDITURE			
(to the extent not written off or adjusted)			
TOTAL		-	-



SCHEDULES TO PROFIT AND LOSS ACCOUNT

PARTICULARS	SCHEDULES	AS AT 31-03-2008 RS.	AS AT 31-03-2007 RS.
SCHEDULE "I"			
INCOME FROM FOOD, BEVERAGES AND BANQUETS			
		-	-
ROOMS			
		-	
FOOD & BEVERAGES			
		41,792,822	31,651,531
INCOME FROM CATERING SERVICES			
		-	22,990,852
OTHER SERVICES			
		-	-
TOTAL		41,792,822	54,642,383
SCHEDULE "J"			
INCOME FROM MANAGEMENT SERVICES			
Income from Management Services			
		136,058,307	89,593,196
TOTAL		136,058,307	89,593,196
SCHEDULE "K"			
SALE OF TICKETS/TRAVEL INCOME			
Sale of Tickets/commission received			
		143,468,252	122,066,736
Less: Refund of Tickets			
		10,273,764	8,112,954
TOTAL		133,194,488	113,953,782
SCHEDULE "L"			
OTHER INCOME			
Other Income			
		7,553,007	362,180
Miscellaneous Receipts			
		-	1,624,009
Interest Income			
		69,592	254,766
TOTAL		7,622,599	2,240,956
SCHEDULE "M"			
CONSUMPTION OF PROVISION, STORES			
		23,643,709	31,416,252
TOTAL		23,643,709	31,416,252



SCHEDULES TO PROFIT AND LOSS ACCOUNT

PARTICULARS	SCHEDULES	AS AT 31-03-2008 RS.	AS AT 31-03-2007 RS.
SCHEDULE "N"			
PURCHASE OF TICKETS			
Purchase of Tickets/Travel Expenditures		132,378,972	108,771,760
TOTAL		132,378,972	108,771,760
SCHEDULE "O"			
EMPLOYEES REMUNERATION & WELFARE EXPENSES			
Salaries and Wages		104,981,865	75,698,653
Company's Contribution to ESI / PF		13,908,267	8,111,762
Staff Welfare Expenses		3,977,010	3,783,942
TOTAL		122,867,142	87,594,357
SCHEDULE "P"			
POWER & FUEL			
Power and Fuel Cost		7,814,138	5,464,330
TOTAL		7,814,138	5,464,330
SCHEDULE "Q"			
UPKEEP AND SERVICE COST			
Housekeeping Expenses		1,182,601	1,329,680
Water Charges		9,179	7,996
TOTAL		1,191,780	1,337,676
SCHEDULE "R"			
ADVERTISEMENT AND PUBLICITY			
Advertisement and Publicity		479,952	301,547
TOTAL		479,952	301,547



SCHEDULES TO PROFIT AND LOSS ACCOUNT

PARTICULARS	SCHEDULES	AS AT 31-03-2008 RS.	AS AT 31-03-2007 RS.
SCHEDULE "S"			
ADMINISTRATIVE EXPENSES			
Printing & Stationery		454,760	455,045
Conveyance and Travelling		5,116,394	3,005,592
Security Charges		1,346,879	3,029,205
Discount and Commission		425,298	573,440
Motor Car expenses		195,847	253,799
Rates and Taxes		120,516	217,998
Auditors Remuneration (including Service Tax)			
- Statutory Audit Fee		202,032	202,032
- Tax Audit Fee		84,180	84,180
- Limited Review Fee		84,180	84,180
Insurance		470,358	516,504
Repairs & Maintenance			
- Building		102,975	28,514
- Plant and Machinery		140,374	263,657
- Others		64,211	116,438
Postage and Telephones		643,357	832,319
Director's Remuneration		1,675,484	480,000
Professional and Consultancy		4,822,756	3,353,045
Miscellaneous Expenditure		-	194,075
Other General Expenses		1,896,118	2,579,094
<u>Write Off of</u>			
- Cutleries and Crockeries & Consumables		1,234,065	113,793
- Curtains and Fabrics		36,132	28,108
TOTAL		19,115,915	16,411,018



SCHEDULES TO PROFIT AND LOSS ACCOUNT

PARTICULARS	SCHEDULES	AS AT 31-03-2008 RS.	AS AT 31-03-2007 RS.
SCHEDULE "T"			
EXCEPTIONAL ITEMS			
Bad Debts		1,545,851	-
Less : Provision for Bad & Doubtful debts		(906,544)	1,089,274.00
Balance		639,307.00	906,544.00
Bad Debts		700,000	-
Sundry Credit Balances Written Back		-	(1,008,938)
TOTAL		1,339,307	986,880



SCHEDULE “U” – NOTES ON ACCOUNTS

I. SIGNIFICANT ACCOUNTING POLICIES

a. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The accompanying financial statements are prepared in accordance with the Accounting Standards issued by the INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA (“ICAI”) and the provisions of the companies act 1956, and the accounting policies have been consistently applied.

b. ACCOUNTING CONVENTION

The Accounts of the company are prepared under Historical cost Convention on a Going Concern basis and the revenue and expenses are recognised as and when they accrue.

c. FIXED ASSETS

Fixed Assets are stated at cost less depreciation.

d. DEPRECIATION

Depreciation on Fixed Assets other than Temporary Construction on Straight Line Basis in accordance with schedule XIV of the Companies Act, 1956.

Depreciation of Temporary Construction is charged 8.33%

In respect of additions and deletions to fixed assets, depreciation is reckoned on pro-rata basis.

e. INVENTORY VALUATION :

(i) Stocks of provisions, stores, items are valued at cost

(ii) Cutleries & Crockeries, Curtains & Fabrics and consumable are stated at depreciated value and depreciation is provided on technical evaluation/estimate.

f. EMPLOYEE BENEFITS

Contributions to Employees Provident Fund are made as and when they accrue in accordance with the statutory provisions. Leave Wages / Gratuity as part of retirement benefits are estimated and accrued.

Provision for Bonus is made only for those employees who are entitled for bonus as per provision of Payment of Bonus Act. Ex-gratia ,if any declared ,will be accounted as an expenditure on payment.

g. INVESTMENTS

Investments are stated at cost and permanent diminution in the value of investments, if any, in the opinion of the management, is provided for.



h. INCOME TAX

Income Tax expense is accounted in accordance with AS – 22 “Accounting for Taxes on Income” which included current taxes and deferred taxes. Deferred taxes reflects the impact of current year timing difference between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient taxable income will be available.

- i. Foreign Currency assets and liabilities are recognized at the rates applicable on the date of Balance Sheet and the difference charged to Profit & Loss Account,

II. NOTES ON ACCOUNTS:

1. Sales exclude Trade Discount, Value of complements and discount on staff sales.
2. As the turnover of the company is in respect of Food and Beverages, it is not feasible to furnish quantity-wise details of the turnover.

2a. Details of foreign currency earnings and remittance:

	For the Year ended	
	31.03.2008	31.03.2007
	Rs. In Lakhs	
(a) Earnings in Foreign Currencies (As reported by the company to the Department of Tourism)	NIL	NIL
(b) Remittances in Foreign Currencies		
(i) Purchase for Capital Goods	NIL	NIL
(ii) For Travelling Expenses	1.87	0.11

3. The Company provides outsourced services to other corporates including food & beverage services and travels services to its customers. Accordingly the services qualifying as reportable segment as per AS – 17 for the year are revenue from outsourced services and travels services, which are given vide Annexure - I.
4. Related party disclosures as required under Accounting Standard on “Related Party Disclosures” issued by Institute of Chartered Accountants of India are given below:
 - a) List of Related Parties where control exists:
 - i) Dr. Prathap C. Reddy
 - ii) P. Vijaykumar Reddy



- iii) Suneeta Reddy
- iv) Preetha Reddy
- v) Sucharitha Reddy - Key Management Personnel
- vi) Sindoori Reddy - Key Management Personnel

b) Associates :

- a) M/s. Apollo Hospitals Enterprises Ltd, Chennai
- b) M/s. Apollo Hospitals Enterprises Ltd, Hyderabad
- c) M/s. Apollo Hospitals Enterprises Ltd, Delhi
- d) M/s. Apollo Gleneagles Hospitals Ltd, Kolkatta
- e) M/s. Apollo KH Hospitals, Melvisharam
- f) M/s. Akshaya Apollo Hospitals, Ahmedabad
- g) M/s. Apollo Sindoori Capital Investments Ltd, Chennai
- h) M/s. Family Health Plan Ltd
- i) M/s. PCR Investements Ltd, Chennai
- j) M/s. PPN Holdings Ltd , Chennai
- k) M/s. PPN Power Ltd, Chennai
- l) M/s. Kalpatharu Enterprises, Chennai
- m) M/s. Apollo Hospitals, Bangalore.

c) **STATEMENT SHOWING DETAILS OF RELATED PARTY TRANSACTIONS DURING THE FINANCIAL YEAR 2007-2008**

Sl. No.	Nature of the relationship	Description and nature of transaction	Volume of the transactions (Amount) 2007-08	Volume of the transactions (Amount) 2006-07	Amount Outstanding as on 31-3-08	Amount Outstanding as on 31-03-07
					(In Rupees)	
1	Associate	Outsourced Service	16,661,110	128,980,331	15,132,724	20,288,733
2	Associate	Travel Services	99,559,922	89,464,124	6,811,919	9,045,652
3	Key Mgmt. Personnel	Remuneration	1,725,484	480,000	-	-
		TOTAL	117,946,516	218,924,455	21,944,643	29,334,385



5. Managerial Remuneration.
Remuneration to Managing Director

	Rs 2007-08	Rs 2006-07
Salaries & Allowances	9,75,484.00	4,80,000
P F Contribution	1,17,058.00	57,600
Remuneration to Joint Managing Director		
Salaries & Allowances	7,50,000.00	Nil
P.F.Contribution	84,000.00	Nil

6. The Company had net Deferred Tax Assets as detailed below. The Net deferred Tax Assets for the year aggregating to Rs 28,13,612/- has been accrued in the books considering prudence.

<u>Deferred Tax Liability</u>	<u>31.03.2008</u>	<u>31.03.2007</u>
On account of Depreciation	Rs. 1,51,829	2,09,166
TOTAL	Rs. 1,51,829	2,09,166
<u>Deferred Tax Asset</u>		
On account of Fiscal Losses and allowances	Rs. NIL	NIL
Expenses allowable for tax purpose when paid	Rs 25,09,970	26,13,116
Expenses allowable for tax purpose when the withholding tax related to the expenses is paid	Rs 19,62,159	2,33,364
TOTAL	Rs. 44,72,129	28,46,480
Net Deferred Tax Asset/(Liability) (26,37,314)	Rs. 43,20,300	

Gratuity is accrued based on the estimate and no actuarial valuation has been made.

Debts due from Companies in which Directors of the Company are interested Rs 219.44 lacs (Previous Year Rs.293.34 lacs)

9. Impairment of Assets

On 31.01.2005 the Board of Directors decided to discontinue the operations of the company's hotel business. The company's hotel business was carried out at the leased premises situated 26/27 Poonamallee High Road owned by Central Hotels P Ltd (Lessor). As per the decision of the Board of Directors the leased premises



wherein the hotel business was carried out was vacated and the building including amenities created by the company have been handed over to the lessor pending final settlement of dues. As per the mutual agreement reached with the lessor an inventory of assets handed over to the lessor have been taken and the valuation of assets was carried out by the valuers appointed by the company as well as the lessor. There has been considerable difference in the valuation by both parties which could not be bridged even after a review, the amount is included as part of the total claim placed before the arbitrator as per the lease agreement. Pending finalization of the value of assets being taken over by the lessor and the ultimate settlement thereof through arbitration as per the lease agreement, the company has provided an impairment loss of Rs.30,58,874/- lakhs in respect of the above said assets, the WDV of the assets being Rs.81,95,808/- as on 31st March 2005. The net value of the assets of Rs.51,36,934/- after impairment is reflected under loans and advances pending outcome of arbitration proceedings in accordance with the lease agreements. No additional provision for impairment is considered necessary at this stage as management is hopeful of recovering the entire amount from the landlord of the erstwhile hotel premises through arbitration.

An additional depreciation of Rs.7,37,684/- has been provided towards Temporary Construction based on technical estimate.

10. Contingent Liabilities not provided for:

Guarantees given by banks in respect of which company has given counter guarantee Rs.5 lacs (Previous year 7 lacs).

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

As Per Our Report of Even Date For **Apollo Sindoori Hotels Ltd.**,

For R. SUBRAMANIAN and Company, Schedules A to U,

Chartered Accountants

	Sucharitha Reddy Managing Director	Suresh R Madhok Director
R. Rajaram Partner	V J Chacko Director	L.Paulpandi Jeyasingh Chief Finance Officer

Place: Chennai
Date : 30-6-2008



Statement showing segment results for the financial year 2007-08

Amount in Rs

Particulars	Year	Outsourced services	Travels	Unallocated	Total
Revenues	2007-08	177,851,129	133,194,488	7,622,599	318,668,216
	2006-07	144,235,579	113,953,782	2,240,956	260,430,317
Expenses	2007-08	167,744,951	132,378,972	7,367,685	307,491,608
	2006-07	136,126,175	113,192,831	1,925,453	251,244,459
Income before depreciation, interest taxes and exceptional items	2007-08	10,106,178	815,516	254,914	11,176,608
	2006-07	8,109,404	760,951	315,503	9,185,858
Interest	2007-08	1,286,307	-	-	1,286,307
	2006-07	1,610,346	-	-	1,610,346
Depreciation	2007-08	2,260,285	-	-	2,260,285
	2006-07	1,382,952	52,482	-	1,435,434
Exceptional items					
Bad debts written off	2007-08	-	-	1,339,307	1,339,307
	2006-07	-	-	986,880	986,880
Provision for taxation (Current tax, Deferred Tax and Fringe Benefits Tax)	2007-08			2,620,023	2,620,023
	2006-07			2,450,000	2,450,000
Deferred Tax Assets recognised	2007-08			2,813,612	2,813,612
	2006-07			-	-
Profit / (Loss) after taxation	2007-08	6,559,586	815,516	(890,804)	6,484,297
	2006-07	5,116,106	708,469	(3,121,377)	2,703,198
TOTAL ASSETS	2007-08	22,918,417	961,072.00	7,421,453	31,300,942
	2006-07	34,729,202	13,170,390	14,882,543	62,782,135
TOTAL LIABILITIES	2007-08	33,810,818	4,282,432	13,004,335	51,097,585
	2006-07	31,310,595	4,387,926	12,184,138	47,882,659



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2008

	31-03-2008 RS.	31-03-2007 RS.
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss)	6,290,708	5,153,198
Depreciation	2,260,285	1,382,952
Exceptional items	(1,339,307)	(986,880)
Cutleries & Crockeries W/o		
Curtains & Fabrics W/o		
Miscellaneous Expenses W/o		
Gratuity	3,245,651	
Privilege Leave	409,364	
Interest Expenditure	1,286,307	1,610,346
loss on sale of assets	8,110	119,760
Profit on sale of assets		(91,380)
Interest income	(69,592)	(254,766)
expenses w/off	3,600,000	
Operating Profit before working capital changes	15,691,527	6,933,230
ADJUSTMENTS FOR		
Trade & Other Receivable	(16,660,482)	(7,903,302)
Inventories	(389,311)	388,043
Trade payables	19,872,136	(9,524,383)
Cash generated from operations before extraordinary items	18,513,870	(10,106,412)
Extraordinary items - Provision for Impairment	(3,600,000)	
Direct taxes paid	-	(216,430)
Provision for bad & Doubtful debts	-	1,089,274
Bad Debts Written off	1,339,307	906,544
Provision for Gratuity & PL	(3,655,015)	
Leave Encashment written Back		
Sundry Credit Balances Written Back	-	(1,008,938)
Net Cash Flow from Operating Activities (A)	12,598,162	(9,335,962)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(290,513)	(871,452)
Sale of Fixed Assets	21,042	354,050
Purchase of Investments		
Interest received	69,592	254,766
Net Cash inflow / (outflow) from investing activities (B)	(199,879)	(262,636)
C CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid		
Proceeds from Long Term Borrowings	(8,356,532)	11,812,034
Repayment of UTI Bank loan	(3,000,000)	(3,000,000)
Repayment of car loan	(80,000)	(413,402)
Interest paid	(1,286,307)	(1,610,346)
Net Cash out flow from financing activities (C)	(12,722,840)	6,788,285
Net Increases / Decrease in cash and cash equivalents	(324,557)	(2,810,313)
cash and cash Equivalent at the beginning	2,960,688	5,771,001
cash and cash Equivalent at the close	2,636,132	2,960,688

The schedules referred to above and the notes thereon form an integral part of the balance sheet

This is the cash flow statement referred to in our report of even date

For Apollo Sindoori Hotels Ltd.,

R. Subramanian and Company
Chartered Accountants

Sucharitha Reddy
Managing Director

Suresh R. Madhok
Director

Place: Chennai
Date : 30.06.08

R. Rajaram
Partner

V.J. Chacko
Director

L. Paulpandi Jeyasingh
Chief Finance Officer



**INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

		Current Year RS.
A	Registration	Registration No. 41360 State Code : 18 31.03.2008
	Balance sheet date	
B	Capital raised during the year	
	Public Issue	Nil
	Bonus Issue	Nil
	Right Issue	
	Others	Nil
C	Position of mobilisation & deployment of funds	
	Total Liabilities	33,810,818
	Total Assets	22,918,417
	Sources of funds :	
	Paid-up capital	13,002,000
	Reserves & Surplus	8,381,773
	Secured loans	4,205,502
	Unsecured loans	-
	Deferred tax liability	-
	Application of funds:	
	Net fixed assets	3,392,208
	Investments	131,000
	Net current assets	17,745,767
	Deferred tax asset	4,320,300
	Miscellaneous expenditure	-
	Accumulated profit	1,029,097
D	Performance of the company :	
	Turnover / Other income	318,668,216
	Total expenditure	307,491,608
	Profit before tax	7,630,015
	Exceptional items	1,339,307
	Profit after tax, Exceptional items & Prior year adjustments	6,290,708
	Earning per share (year end) :	
	Before exceptional items	5.87
	After exceptional items	4.99
	Dividend rate %	-
E	Generic names of three principal products / services of the company	

The schedules referred to above and the notes thereon form an integral part of the balance sheet

This is the balance sheet referred to in our report of even date

For Apollo Sindoori Hotels Ltd.,

R. Subramanian and Company
Chartered Accountants

R. Rajaram
Partner

Sucharitha Reddy
Managing Director

V.J. Chacko
Director

Suresh R. Madhok
Director

L .Paulpandi Jeyasingh
Chief Finance Officer

Place: Chennai
Date : 30.06.08



APOLLO SINDOORI HOTELS LIMITED
Regd & Corporate Office: 19 – B, Anugraha Apartments,
41, Uthamar Gandhi Salai, Chennai – 600 034.

PROXY FORM

Dp Id

Client Id

(For Shares held in Demat Form)

Folio No

(For Shares held in Physical Form)

I/We being a Member/Members of Apollo Sindoori Hotels Limited hereby appoint Of..... in the district of as my/our Proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on 27.09.2008 at 11.00 a.m at Raaga Sudha Hall (beside Nageshwara Rao park), Old No.85/2, New No. 16, Luz Avenue, Luz, Mylapore, Chennai – 600 004, and at any adjournment thereof.

Signature

Affix
Revenue
Stamp

N.B.: The instrument appointing proxy should be deposited at the Registered / Corporate Office of the Company not later than 48 hours before the commencement of the meeting.

APOLLO SINDOORI HOTELS LIMITED
Regd & Corporate Office: 19 – B, Anugraha Apartments,
41, Uthamar Gandhi Salai, Chennai – 600 034.

ATTENDANCE SLIP

Name of the Member

No. of Shares Held

Name of the Proxy

(To be filled up only a proxy attends the meeting)

I hereby register my presence at the Annual General Meeting held on 27th September 2008 at 11.00 a.m. at Raaga Sudha Hall (beside Nageshwara Rao park), Old No.85/2, New No. 16, Luz Avenue, Luz, Mylapore, Chennai – 600 004.

Signature of the Member/Proxy

Place:

Date:

The slip may please be handed over at the entrance of the meeting hall.