

31st March, 2014

ORCHID HOTELS PUNE PRIVATE LIMITED

(Formerly known as B W Highway Star Private Limited)

REGD. OFFICE: KHIL HOUSE, GROUND FLOOR, 70-C, NEHRU ROAD,
VILE PARLE (EAST), MUMBAI 400 099.

7TH ANNUAL REPORT

STATEMENT OF AUDITED ACCOUNTS

FOR THE YEAR ENDED

31ST MARCH 2014

AUDITORS
MESSRS J.P.CHATURVEDI & CO
Chartered Accountants

ORCHID HOTELS PUNE PRIVATE LIMITED

CIN No. U55101MH2007PTC170188

Registered office : Ground Floor, KHIL House, 70-C, Nehru Road, Vile Parle (East), Mumbai - 400 099.

Tel.: 2616 4000, Fax : 2616 4115, Email id: cs@orchidvitshotels.com

NOTICE

Notice is hereby given that the 7th Annual General Meeting of the members of Orchid Hotels Pune Private Limited will be held at KHIL House, 70-C, Nehru Road, Vile Parle (East), Mumbai 400099 on Saturday, 30th August, 2014 at 3.00 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the financial statement for the year ended on 31st March, 2014 and Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Vikram V. Kamat, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Section 14 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) and the Companies (Incorporation) Rules, 2014, the Articles of Association of the Company be and are hereby amended and that the amended Articles of Association of the Company as placed before the meeting be and are hereby approved and adopted as the Articles of Association of the Company.

RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorised to do all acts, deeds and things as may be necessary to give effect to this resolution.”

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Section 152 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force), the Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Dinkar D. Jadhav who was appointed as an Additional Director of the Company

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with effect from 31st October, 2013 and who holds office as such upto the date of 7th Annual General Meeting and in respect of whom the company has received a notice along with requisite deposit under Section 160 of the Companies Act, 2013 from a member proposing the candidature of Mr. Dinkar D. Jadhav for the office of Director, be and is hereby appointed as Director of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary, expedient or desirable to give effect to this resolution.”

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force), the Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Sameer R. Athavale who was appointed as an Additional Director of the Company with effect from 10th April, 2014 and who holds office as such upto the date of 7th Annual General Meeting and in respect of whom the company has received a notice along with requisite deposit under Section 160 of the Companies Act, 2013 from a member proposing the candidature of Mr. Sameer R. Athavale for the office of Director, be and is hereby appointed as an Independent Director of the Company for the term commencing from the date of his appointment to 31st March, 2019.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary, expedient or desirable to give effect to this resolution.”

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force), the Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Samir Chaturvedi who was appointed as an Additional Director of the Company with effect from 13th May, 2014 and who holds office as such upto the date of 7th Annual General Meeting and in respect of whom the company has received a notice along with requisite deposit under Section 160 of the Companies Act, 2013 from a member proposing the candidature of Mr. Samir Chaturvedi for the office of Director, be and is hereby

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appointed as an Independent Director of the Company for a term of five consecutive years commencing from the date of his appointment 31st March, 2019.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary, expedient or desirable to give effect to this resolution.”

8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT in supersession of the ordinary resolution passed by the Company at its Extra Ordinary General Meeting held on 13th February, 2010, pursuant to the provisions of Section 293(1)(a) of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) and rules made there under, to exercise the power to sell, lease, mortgage, create charge or otherwise dispose of movable and/or immovable properties and assets and the whole or substantially the whole of the undertaking(s) of the company in such form and manner as the Board of Directors may determine.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised, in its absolute discretion, to do such acts, deeds or things as the Board of Directors may consider it expedient, prudent and necessary in this regard.”

9. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT in supersession of the ordinary resolution passed by the Company at its Extra Ordinary General Meeting held on 13th February, 2010 pursuant to the provisions of Section 293(1)(d) of the Companies Act, 1956 consent of the Company be and is hereby accorded to the Board of Directors of the Company pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) and rules made there under, to exercise the power to borrow money, from time to time, any sum or sums of moneys (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) that may, together with the moneys already borrowed by the Company, exceeds, for the time being, the aggregate of the paid up share capital of the Company and its free reserves provided that the total amount of monies so borrowed together

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with the monies already borrowed by the Company shall not exceed the limit of ₹ 500 crores (Rupees five hundred crores) over and above the total paid up share capital and free reserves of the Company for the time being.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised, in its absolute discretion, to do such acts, deeds or things as the Board of Directors may consider it expedient, prudent and necessary in this regard.”

By Order of the Board of Directors
For Orchid Hotels Pune Private Limited



Pooja P. Sawarkar
Company Secretary

Place: Mumbai

Date: 13th May, 2014

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 A PROXY NEED NOT BE A MEMBER.
2. The instrument appointing proxy should, however, be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.
3. A Statement setting out the material facts concerning each item of special business to be transacted at the 7th Annual General Meeting pursuant to Section 102 of the Companies Act, 2013 is annexed as Annexure I to the Notice.

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ANNEXURE I TO THE NOTICE STATEMENT SETTING OUT THE MATERIAL FACTS AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013.

Item No. 4.

In order to make the Articles of Association of the Company in tandem and to comply with the relevant Sections under the Companies Act, 2013 and rules made thereunder, the Articles of Association of the Company are to be amended and a new set of Articles of Association to be adopted.

The directors of the Company recommend the passing of the resolution as set out in the agenda Item No. 4 of the accompanying Notice as a special resolution.

There is no concern or interest, financial or otherwise of directors, key managerial personnel of the Company or their relatives in respect of the said resolution.

The existing Articles of Association of the Company and new set of Articles of Association proposed to be adopted by the Company are available for inspection by the members on all working days, except holidays at the registered office of the Company between 11.00 A.M. to 1.00 P.M. till 30th August, 2014.

Item No. 5.

Mr. Dinkar D. Jadhav is B. S. C with Physics and Mathematics and has done diploma in Business Management. He has experience of working with Shipping Master Port of Calcutta, Semens Employment Office as Dy. Director, Ward Officer of Bombay Municipal Corporation, Municipal Corporation of Greater Bombay as Dy. Municipal Commissioner, he is presently working as Chairman, Senior Level Grievances Redressal Committee, MMRDA and as Chief Project Advisor in NGO called SEWA.

Mr. Dinkar D. Jadhav was appointed as an additional Director of the Company by the Board of Directors with effect from 31st October, 2013 pursuant to Section 260 of the Companies Act, 1956. He is a nominee director of the holding Company. As per Section 260 of the Companies Act, 1956 and Section 161 of the Companies Act, 2013, he holds office of Director upto the date of the forthcoming 7th Annual General Meeting.

The Company has received a notice in writing along with requisite security deposit from a member proposing the candidature of Mr. Dinkar D. Jadhav as Director of the Company under the provisions of Section 160 of the Companies Act, 2013. As per Section 152(4) of the Companies Act, 2013, Mr. Dinkar D. Jadhav has vide letter dated 10th April, 2014 furnished his Director Identification Number and declared that he is not disqualified to become a Director

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under the Companies Act, 2013.

The Directors recommend the passing of the resolution set out in Item No. 5 of the accompanying Notice as a special resolution.

Except for Mr. Dinkar D. Jadhav, there is no concern or interest, financial or otherwise of directors, key managerial personnel of the Company or their relatives in respect of the said resolution.

Item No. 6

Mr. Sameer R. Athavale has done Bachelors in Production Engineering from Mumbai University and Diploma in Machine tools & Maintenance Engineering from Mumbai University. He has over ten years of experience as Engineer to Marketing Head and business owner in Electronics, Organic Agriculture, Software & Travel Industry. His expertise is in areas ranging from marketing IT Software and Services to efficiently handling people and building and developing network.

Mr. Sameer R. Athavale was appointed as an additional Director by the Board of Directors of the Company with effect from 10th April, 2014 pursuant to Section 161 of the Companies Act, 2013. As per Section 161 of the Companies Act, 2013, he holds office of Director upto the date of the forthcoming 7th Annual General Meeting.

The Company has received a notice in writing along with requisite security deposit from a member proposing the candidature of Mr. Sameer R. Athavale as an Independent Director of the Company under the provisions of Section 160 of the Companies Act, 2013. As per Section 152(4) of the Companies Act, 2013, Mr. Sameer R. Athavale has, vide letter dated 10th April, 2014, furnished his Director Identification Number and declared that he is not disqualified to become a Director under the Companies Act, 2013.

The Board opines that Mr. Sameer R. Athavale fulfils the conditions for appointment of Independent Director specified in the Companies Act, 2013 and rules made there under and that Mr. Sameer R. Athavale is independent of the management of the Company.

The Directors recommend the passing of the resolution set out in agenda Item No. 6 of the accompanying Notice as a special resolution.

Except for Mr. Sameer R. Athavale, there is no concern or interest, financial or otherwise of directors, key managerial personnel of the Company or their relatives in respect of the said resolution.

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Item No. 7

Mr. Samir Chaturvedi was appointed as an additional Director by the Board of Directors of the Company with effect from 13th May, 2014 pursuant to Section 161 of the Companies Act, 2013. As per Section 161 of the Companies Act, 2013, he holds office of Director upto the date of the forthcoming 7th Annual General Meeting.

The Company has received a notice in writing along with requisite security deposit from a member proposing the candidature of Mr. Samir Chaturvedi as an Independent Director of the Company under the provisions of Section 160 of the Companies Act, 2013. As per Section 152(4) of the Companies Act, 2013, Mr. Samir Chaturvedi has, vide letter dated 13th May, 2014, furnished his Director Identification Number and declared that he is not disqualified to become a Director under the Companies Act, 2013.

The Board opines that Mr. Samir Chaturvedi fulfils the conditions for appointment of Independent Director specified in the Companies Act, 2013 and rules made there under and that Mr. Samir Chaturvedi is independent of the management of the Company.

The Directors recommend the passing of the resolution set out in agenda Item No. 7 of the accompanying Notice as a special resolution.

Except for Mr. Samir Chaturvedi, there is no concern or interest, financial or otherwise of directors, key managerial personnel of the Company or their relatives in respect of the said resolution.

Item No. 8 and 9.

The Central Government has vide notification dated 12th September, 2013 notified, inter alia, Section 180 of the Companies Act, 2013.

As per Section 180 (1) of the Companies Act, 2013 effective from 12th September, 2013, the Board of Directors should exercise, inter alia, the following power only with the consent of the Company by Special Resolution:

- (a) To sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings.
- (b) To borrow money, where the money to be borrowed, together with the money already borrowed by the company exceeds aggregate of its paid-up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business.

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The Central Government has, vide general circular dated 25th March, 2014, given clarification with regard to applicability of Section 180 of the Companies Act, 2013. It is clarified, by the said circular, that the resolution passed under Section 293 of the Companies Act, 1956 prior to 12th September, 2013 with reference to borrowings (subject to the limits prescribed) and on creation of security on assets on the company will be regarded as sufficient compliance of the requirements of section 180 of the Companies Act, 2013 for a period of one year from the date of notification of section 180 of the Companies Act, 2013.

The members had, at the Extraordinary General Meeting of the Company held on 13th February, 2013, passed Ordinary Resolutions authorising the Board of Directors pursuant to Section 293 (1) (a) and (d) of the Companies Act, 1956 to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company and to borrow moneys in excess of the company's aggregate paid up capital and free reserves subject, however, to a maximum limit of ₹ 500 crores (Rupees Five Hundred crores) respectively.

To comply with the provision of obtaining consent of the Company by special resolutions to enable the Board to exercise powers to sell, lease or otherwise dispose of the undertaking(s) of the Company and to borrow monies as mentioned in Section 180 (1) (a) and (c) respectively of the Companies Act, 2013, the directors recommend the passing of the resolutions set out at agenda Item No. 8 and 9 of the accompanying Notice as special resolutions.

There is no concern or interest, financial or otherwise of directors, key managerial personnel of the Company or their relatives in respect of the said resolutions.

By Order of the Board of Directors
For Orchid Hotels Pune Private Limited



Pooja P. Sawarkar
Company Secretary

Place: Mumbai
Date: 13th May, 2014

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BOARD'S REPORT

To
The Members,

We have pleasure in presenting the 7th Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2014.

FINANCIAL SUMMARY

The financial results for the year under review are summarised below.

Particulars	(Rupees in Lakhs)	
	Year ended March 31, 2014	Year ended March 31, 2013
Total Income	2,481.20	2,897.21
Profit/(Loss) Before Interest, Depreciation & Taxation	140.72	292.86
(Less): Interest	1,438.65	2,452.11
(Less): Depreciation	971.86	906.58
Profit/(Loss) Before Tax	(2,269.79)	(3,065.83)
(Less): Provision for current tax	NIL	NIL
Add: Deferred Tax Assets	(720.53)	(936.97)
Profit/(Loss) after tax	(1,549.26)	(2,128.86)
Amount proposed to be carried to reserves	-	-
Profit/(Loss) brought forward from previous year	(4,743.70)	(2,614.84)
Balance carried over to Balance Sheet	(6,292.96)	(4,743.71)

STATE OF COMPANY'S AFFAIRS

The total turnover of the Company for the year was recorded at ₹ 2,481.20 lakhs as against ₹ 2,897.21 lakhs in the previous year. The Company has registered loss after tax of ₹ 1,549.26 lakhs as compared to loss of ₹ 2,128.86 lakhs in the previous year.

The Company has two operational hotels at Pune under the brand name 'The Orchid' in Five Star category and 'VITS' in Four Star category alongwith restaurants and banquets.

The average room occupancy level of the hotel units of the Company was around 47%, same in the previous year. The Average Room Rate, during the year under review, for the hotel units of the Company was ₹ 1,979/- as compared to ₹ 2,080/- in the previous year.

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Under the Concession Agreement dated 16th July, 2007 between the Company and the Governor of Maharashtra, the Director of Sports and Youth Services had made a demand to the Company to provide performance security guarantee. As per the term of said Concession Agreement, the Company is not required to provide performance guarantee to Director of Sports and Youth Services. The Company has therefore invoked the Arbitration and Conciliation Act, 1996 under the Concession Agreement and referred the matter to Engineer in Chief for return of balance Bank Guarantee.

The Company has preferred an appeal against alleged ratable value fixed by the Pune Municipal Corporation in respect of tax on properties of the Company situated at Balewadi, Pune. The matter is pending before the court.

There are export obligation on the Company against import of capital goods under Export Promotion Capital Goods (EPCG) Scheme which are to be achieved by the Company by the year 2015-16. As advised to the Company, the Company may be entitled to utilize and set off the unutilized balances in export earnings available to Kamat Hotels (India) Limited, the holding company under the concept of 'Group Company' as defined in Para No. 9.28 of the Foreign Trade Policy (2009-2014).

DIVIDEND

Considering the loss incurred by the Company during the year under review, the Directors do not recommend payment of any dividend for the year ended on 31st March, 2014.

NAMES OF SUBSIDIARY / JOINT VENTURES / ASSOCIATE COMPANIES

Subsidiary company:	NIL
Joint venture company:	NIL
Associate Company:	Kamat Hotels (India) Limited (Holding Company)

FINANCE

The Company has not paid interest of ₹ 1418.68 lakhs and installment of ₹ 784.20 lakhs in respect of loans availed from ICICI Bank Limited, which have become due from 30th April, 2013 to September, 2013. The Company has also not provided interest on loan of ₹ 173.65 crores from October, 2013 onwards.

Due to various adverse factors being faced by the Company the financial position of the Company is worsening and the Company was unable to service the unsecured interest bearing loan of ₹ 196.46 crores alongwith interest payable thereon of ₹ 23.55 crores accrued upto 31st

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December, 2013 from its holding company Kamat Hotels (India) Limited. An application for waiver of interest on loan from Kamat Hotels (India) Limited, the holding company for not charging of interest on said loan from 1st January, 2014 was made. The same was accepted by the holding company and no interest was provided / paid on the loan from 1st January, 2014.

ICICI Bank Limited has assigned to Asset Reconstruction Company (India) Limited (Arcil), financial assets of the Company together with all underlying security interest and all its rights, title, interest and benefits pursuant to the Assignment Agreement dated 27th September, 2013. All the charges under Section 125 of the Companies Act, 1956 registered in favour of ICICI Bank Limited / 3i Infotech Trusteeship Services Limited were modified and registered in favour of Arcil with effect from 27th September, 2013 as per the said Assignment Agreement.

DIRECTORS

Mr. Vikram V. Kamat, retires by rotation and being eligible offers himself for reappointment. The Directors recommend his re-appointment.

Mr. Dinkar D. Jadhav was appointed as an additional Director of the Company by the Board with effect from 31st October, 2013. Mr. Sameer R. Athavale and Mr. Samir Chaturvedi were appointed as Additional Directors of the Company by the Board to hold the office as independent directors with effect from 10th April, 2014 and 13th May, 2014 respectively. It is proposed to appoint Mr. Dinkar D. Jadhav as the director of the Company and Mr. Sameer R. Athavale and Mr. Samir Chaturvedi as Independent Directors of the Company for a term commencing from the date of their appointment to 31st March, 2019.

Mr. Ved Prakash Khurana and Mr. Ramesh N. Shanbhag resigned from the office of Director of the Company w.e.f 22nd August, 2013 and 30th August, 2013 respectively and Mr. Narendra D. Pai resigned from the office of Director of the Company w.e.f 13th May, 2014. The Board of Directors places on record its sincere appreciation for the valuable support and guidance given by Mr. Ved Prakash Khurana, Mr. Ramesh N. Shanbhag and Mr. Narendra D. Pai to the Company during their tenure as Director of the Company.

ICICI Bank Limited vide its letter dated 14th October, 2013, withdrew the nomination of Mr. Rajan Mehra as their Nominee Director on the Board of the Company with effect from 14th October, 2013.

DECLARATION BY INDEPENDENT DIRECTOR

Mr. Sameer R. Athavale and Mr. Samir Chaturvedi, independent directors on the board of the Company have given declaration under Section 149(7) of the Companies Act, 2013 to the effect

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that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and that they shall abide by the provisions of code of conduct specified in Schedule IV to the Companies Act, 2013 which were taken on record by the Board.

NUMBER OF MEETINGS OF THE BOARD

During the financial year 2013-14, four meetings of the Board of Directors took place.

POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

The Nomination and Remuneration Committee, at its meeting held on 10th April, 2014 formulated and recommended to the board for adoption of a policy on Nomination and Remuneration covering matters of directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided in sub-clause (3) of Section 178 of the Companies Act, 2013. The said policy was adopted by the Board of Directors at its meeting held on 10th April, 2014.

VIGIL MECHANISM

The Company has established a Vigil Mechanism under Section 177(9) of the Companies Act, 2013 to report genuine concerns. The Audit Committee of the directors oversee the Vigil Mechanism and if any member of the Audit Committee has conflict of interest in a given case, he recuses himself and other members of the Audit Committee deal with the matter on hand. The vigil mechanism provides adequate safeguards against victimization of employees and directors who avail of the Vigil Mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

PARTICULARS OF EMPLOYEES:

There were no employees employed throughout the financial year or part thereof, whose details are required to be mentioned as per sub-section (2A) of Section 217 of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 as amended.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Kindly refer to Note no. 23 to financial statement for the particulars of contract and arrangement with related parties.

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PARTICULARS OF LOANS, GUARANTEES, SECURITIES AND INVESTMENTS

During the year under review, the Company has neither given any loan nor acquired by way of subscription, purchase or otherwise, the securities of any other body corporate.

During the year, the Company has provided an irrevocable and unconditional guarantee for the due payment of sum of ₹ 247.55 crores by Kamat Hotels (India) Limited (KHIL) to State Bank of India, Allahabad Bank, L&T Infrastructure Finance Company Limited and Andhra Bank (Lenders of KHIL).

COMPOSITION OF AUDIT COMMITTEE AND DISCLOSURE U/S 177(8) OF THE COMPANIES ACT, 2013

The Board of Directors of the Company has constituted an Audit Committee on 10th April, 2014 comprising of Mr. Sameer R. Athavale Mr. Samir Chaturvedi and Mr. Vikram V. Kamat.

There has been no instance where the Board of Directors of the Company had not accepted any recommendation of the Audit Committee.

DEPOSITS

There was no deposit accepted by the Company with in the meaning of Section 58A of the Companies Act, 1956 and Rules made there under at the beginning of the year. During the year under review, the Company has neither invited nor accepted any deposit and no deposit was remaining unpaid or unclaimed as at the end of the year.

DIRECTORS' RESPONSIBILITY STATEMENT:

As required by Section 217(2AA) of the Companies Act, 1956 the Directors hereby confirm:

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures.
2. That the selected accounting policies were applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2014 and of the loss of the

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Company for the financial year ended on that date.

3. That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities to the best of the Directors' knowledge and ability.
4. That the annual accounts have been prepared on a going concern basis.

ADDITIONAL INFORMATION REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988:

- a. Conservation of Energy: The Company constantly takes necessary energy conservation measures, at the operative hotels of the Company. The Company had during the year under review, purchased generous number of Units Power (Electricity) through an alternative source i.e Windmill power under the Open Access Regulation for Distribution - 2005 dated 21st June 2005 issued by Maharashtra Electricity Regulatory Commission (MERC). Due to which the Company earned substantial amount.
- b. Technology Absorption: The activities of Company at present do not involve technology absorption and research and development.
- c. Foreign exchange earnings and outgo:

Earnings	:	₹ 12.90 Lakhs (Previous year: ₹ 7.89 Lakhs)
Utilisation (including import of capital goods):		₹ 1.38 Lakhs (Previous year: ₹ 4.60 Lakhs)

AUDITORS

M/s. J. P. Chaturvedi & Co., Chartered Accountants, retire at the ensuing Annual General Meeting, and being eligible offer themselves for re-appointment.

EMPLOYEE RELATIONS

The relations of the management with staff and workers remained cordial during the entire year.

ORCHID HOTELS PUNE PRIVATE LIMITED

CIN No. U55101MH2007PTC170188

Registered office : Ground Floor, KHIL House, 70-C, Nehru Road, Vile Parle (East), Mumbai - 400 099.

Tel.: 2616 4000, Fax : 2616 4115, Email id: cs@orchidvitshotels.com

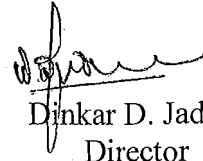
ACKNOWLEDGEMENTS:

The Directors place on record their appreciation for the sincere and whole hearted co-operation extended by all concerned, particularly Department of Tourism, company's bankers, Municipal authorities, Government of Maharashtra, Central Government, suppliers, clientele and look forward to their continued support. The Directors also thank the employees and shareholders for their continued support and confidence in the Company and its management.

On Behalf of the Board of Directors
For Orchid Hotels Pune Private Limited



Vikram V. Kamat
Managing Director



Dinkar D. Jadhav
Director

Place: Mumbai

Date : 13th May, 2014

J. P. Chaturvedi & Co.

Chartered Accountants

73, Mulji Jetha Bld., 3rd Floor,
178, Princess Street, Mumbai – 400 002
Tel: 0226 1855, Email : jpchaturvedi@inbox.com
M.: 9967057695 / 9029436703 / 9594106775



J. P. Chaturvedi
B.Com., F.C.A.

Independent Auditors' Report

To
The Members of
Orchid Hotels Pune Private Limited

Report on the Financial Statements

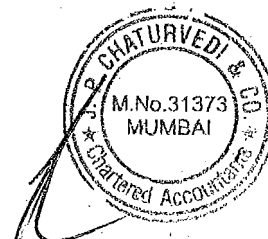
We have audited the accompanying financial statements of Orchid Hotels Pune Private Limited ("the Company") which comprise the Balance Sheet as at 31 March 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2003 dated 13th September 2013 of The Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



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

Opinion

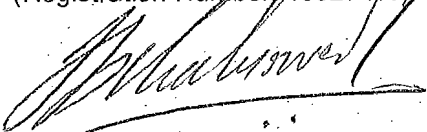
In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2014;
- (ii) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2003 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act 2013, and;
 - e. On the basis of written representations received from the directors as on 31 March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **J. P. Chaturvedi & Co.,**
Chartered Accountants
(Registration Number: 130274W)



J. P. Chaturvedi
Proprietor
Membership No.: 031373
Place: Mumbai
Dated: 13th May, 2014.



J. P. Chaturvedi & Co.

Chartered Accountants

73, Mulji Jetha Bld., 3rd Floor,
178, Princess Street, Mumbai – 400 002
Tel: 0226 1855, Email : jpchaturvedi@inbox.com
M.: 9967057695 / 9029436703 / 9594106775



J. P. Chaturvedi
B.Com., F.C.A.

Annexure -2

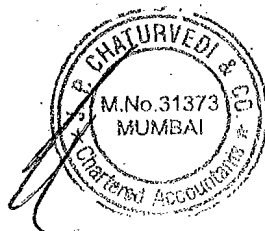
ANNEXURE TO AUDITORS' REPORT

Referred to in paragraph 3 of our report of even date.

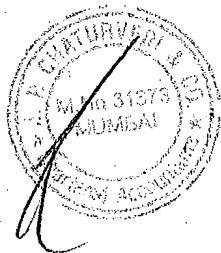
[Re: Orchid Hotels Pune Private Limited ('the company')]

1. a) The Company has Maintained proper records showing full particulars including quantitative details and situation of fixed assets installed at its units.
 - b) According to the information and explanations given to us, during the year the fixed assets were physically verified in accordance with the programme of physical verification, which in our opinion is reasonable having regard to the size of the company and nature of its assets: No Material discrepancies were noticed on such Verification.
 - c) During the year, the Company has not disposed off any substantial part of the fixed assets.
2. a) According to the information and explanations given to us, the inventories have been physically verified by the management at the end of the year. In our opinion, the frequency of verification is reasonable.
 - b) According to the information and explanations given to us, in our opinion, the procedures for the physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and book records were not material, having regard to the size of the operations of the Company.
3. (i) According to the information and explanations given to us, the Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
 - (ii) The Company has taken unsecured loans from three parties covered in the Register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 200,58,26,145/- and the year-end balance of loans taken from such parties was Rs. 200,15,11,402/- Other terms and conditions of the above loans taken were not prima facie prejudicial to the interest of the Company.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and also for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in Internal control systems in respect of above areas.

Contd.....2

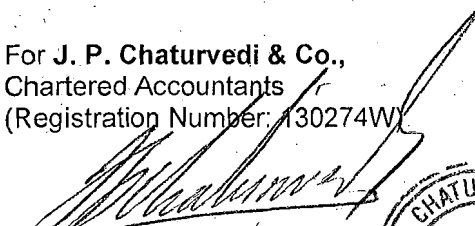


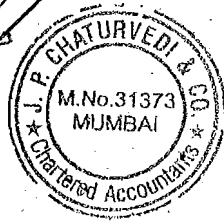
5. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:
 - a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that need to be entered in the Register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements are unique and of specialized nature and in absence of any comparable prices we are unable to comment if same has been made at prices which are reasonable having regards to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public and therefore, the provisions contained in section 58A, 58AA or any other relevant provisions of the Act and Rules framed there under are not applicable to the Company.
7. In our opinion, the company has an adequate internal audit system commensurate with the size and the nature of its business.
8. As per the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 in respect of business activities conducted by company during the year.
9. a) As per the information and explanations given to us, the company has been *generally* regular in depositing the undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax and Sales Tax with the appropriate authorities. There were no undisputed amounts payable in respect of such dues which have remained outstanding as at 31st March, 2014 for a period of more than six months from the date they became payable.
 - b) There are no statutory dues that have not been deposited on account of disputes pending before the appropriate authorities.
10. The accumulated losses of the Company are more than fifty percent of its net worth at the end of the financial year. The Company has incurred cash loss of Rs. 1,297.93 lakhs and also loss of Rs. 2,159.25 lakhs in the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the Company has defaulted in payment of dues to a bank aggregating to Rs.1492.88 lakhs towards interest and Rs. 784.00 lakhs towards installment for the period upto 30th September, 2013. The Company has not made provision for interest on bank loans from 1st October, 2013 onwards. The loans have been assigned by the bank to ARCIL.
12. According to the information and explanations given to us, the company has not granted loans/advances on the basis of security by way of pledge of shares, debentures and other securities and therefore, the provisions of the clause (xii) of the Order are not applicable.



13. In our opinion, the Company is not a chit fund / nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
14. The Company is not a dealer or trader in shares, securities, debentures and other Investments.
15. According to the information and explanations given to us the Company has given a guarantee for loans taken by its holding Company from banks and a financial institution.
16. As per the information and explanation given to us, the term loans have prima facie, been applied for the purpose for which they were obtained.
17. According to the information and explanations given to us, and the records examined by us, the funds raised on short term basis have prima facie, not been used during the year for long term investments.
18. The company has not made any preferential allotment of shares to parties and companies covered under register maintained under section 301 of the Companies Act, 1956.
19. The company has not issued any debentures and hence the question of creating any securities in respect thereof does not arise.
20. The company has not raised money by public issue during the year.
21. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we have not come across any instance of material fraud on or by the company noticed or reported during the year.

For **J. P. Chaturvedi & Co.**,
Chartered Accountants
(Registration Number: 130274W)


J. P. Chaturvedi
Proprietor
Membership No.: 031373



Place: Mumbai
Dated: 13th May, 2014

ORCHID HOTELS PUNE PRIVATE LIMITED

(Formerly known as B W Highway Star Private Limited)

BALANCE SHEET AS AT 31ST MARCH 2014

(₹ in Lakhs)

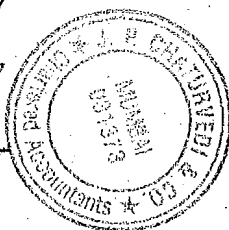
	Note No.	As at 31-Mar-2014	As at 31-Mar-2013
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	2.1	1,176.47	1,176.47
Reserves and Surplus	2.2	86.67	1,635.93
		1,263.14	2,812.40
NON-CURRENT LIABILITIES			
Long Term Borrowings	3.1	20,015.11	38,154.12
Other Long Term Liabilities	3.2	8.83	-
Long Term Provisions	3.3	19.86	14.44
		20,043.80	38,168.56
CURRENT LIABILITIES			
Trade Payables	4.1	390.33	387.97
Other Current Liabilities	4.2	24,129.09	5,654.84
Short Term Provisions	4.3	3.76	2.08
		24,523.18	6,044.89
TOTAL		45,830.12	47,025.85
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets:			
Tangible Assets	5.0	41,828.87	40,868.03
Intangible Assets	5.0	4.17	6.08
Capital Work-In-Progress	-	-	3,366.00
Deferred Tax Assets (Net)	6.0	2,634.90	1,914.36
Long Term Loans and Advances	7.0	133.72	128.72
		44,601.66	46,283.19
CURRENT ASSETS			
Inventories	8.0	86.75	76.83
Trade Receivables	9.0	127.81	155.53
Cash and Bank Balances	10.0	109.98	228.19
Short Term Loans and Advances	11.0	901.13	276.26
Other Current Asstes	12.0	2.79	5.85
		1,228.46	742.66
TOTAL		45,830.12	47,025.85

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS. 1 to 28

As per our report of even date
For J P Chaturvedi & Co.
Chartered Accountants
(Registration Number: 180274W)

J P Chaturvedi
Proprietor
Membership No.031073

Place: Mumbai
Date: 13th May, 2014



For Orchid Hotels Pune Private Limited

Vikram V. Kamat
Vikram V. Kamat
Managing Director

Pooja Sawarkar
Pooja Sawarkar
Company Secretary

Dinkar D. Jadhav
Dinkar D. Jadhav
Director

S B Bauskar
Swati Bauskar
Chief Financial Officer

ORCHID HOTELS PUNE PRIVATE LIMITED

(Formerly known as B W Highway Star Private Limited)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2014

(₹ in Lakhs)

	Note No.	2013-14	2012-13
INCOME			
Income from Hotel Operations	13.0	2,446.46	2,868.71
Other Income	14.0	34.74	28.50
Total Revenue		2,481.20	2,897.21
EXPENDITURE			
Cost of Food and Beverages consumed	15.0	454.71	441.58
Employee Benefits Expenses	16.0	557.19	640.79
Other Expenses	18.0	1,328.58	1,521.98
Total Expenses		2,340.48	2,604.35
Profit/(Loss) before Interest, Depreciation and Tax		140.72	292.86
Finance Costs	17.0	1,438.65	2,452.11
Depreciation and Amortization Expense	5.0	971.86	906.58
Profit/(Loss) before Tax		(2,269.79)	(3,065.83)
Tax Expense:			
(1) Current Tax			
(2) Deferred Tax		(720.53)	(936.97)
Profit (Loss) for the year		(1,549.26)	(2,128.86)

Earnings per Equity Share of face value of Rs. 10/- each

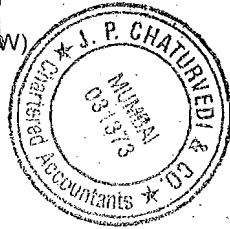
Basic & Diluted (13.17) (18.10)

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS. 1 to 28

As per our report of even date
For J P Chaturvedi & Co.
Chartered Accountants
(Registration Number / 30274W)

J P Chaturvedi
Proprietor
Membership No. 031073

Place: Mumbai
Date: 13th May, 2014



For Orchid Hotels Pune Private Limited

Vikram V. Kamat
Managing Director

Pooja Sawarkar
Company Secretary

Dinkar D. Jadhav
Director

SB Bauskar
Swati Dauskar
Chief Financial Officer

ORCHID HOTELS PUNE PRIVATE LIMITED
(Formerly known as B W Highway Star Private Limited)
Cash Flow Statement for the year Ended 31st March 2014

P A R T I C U L A R S	2013-14	2012-13
(₹ in Lakhs)		
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit/(Loss) before tax as per Statement Profit and Loss	(2,269.79)	(3,065.83)
<i>Adjustment for:</i>		
Depreciation and Amortization Expense	971.87	906.58
Provision for Gratuity	7.14	3.50
Provision for Earned Leave	0.48	0.19
Provision for Bad and Doubtful Debts	1.63	
Liabilities and Provisions written back	(12.92)	(6.90)
Interest income	(10.95)	(17.63)
Finance Cost	1,438.65	2,452.12
	<u>2,395.90</u>	<u>3,337.86</u>
Operating Profit/(Loss) before working capital changes	126.11	272.03
<i>Adjusted for:</i>		
Trade and other receivables	(213.11)	(286.36)
Increase in Inventories	(9.92)	(6.58)
Trade and other Payables	(20.24)	312.00
	<u>(243.27)</u>	<u>19.06</u>
Cash generated from/(used for) operations	(117.16)	291.09
Direct Taxes Paid	(36.89)	(27.77)
Net cash from/(used for) operating activities	(154.05)	263.32
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets (including Capital Work in Progress)	(136.76)	(5,860.71)
Margin Money with Banks	61.97	
Interest Received	14.01	16.25
	<u>(60.78)</u>	<u>(5,844.46)</u>
Net Cash generated from / (used in) Investing Activities	(60.78)	(5,844.46)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Long term borrowings	368.71	2,326.85
Loan from Holding Company	-	4,120.95
Repayment of Loan from Holding Company	(2.59)	
Proceeds from Bank Loan	304.00	3,696.00
Repayment of Current Maturities of Long Term Borrowings	-	(600.00)
Repayment of Bank Loan	(242.69)	(1,082.80)
Interest paid	(268.84)	(2,807.40)
	<u>158.59</u>	<u>5,653.60</u>
Net Cash generated from / (used in) Financing Activities	158.59	5,653.60
Net Increase/ (Decrease) in Cash and Cash Equivalents	(56.24)	72.46
Opening Balance of Cash and Cash Equivalents	98.12	25.67
Closing Balance of Cash and Cash Equivalents	41.88	98.13

As per our report of even date
For J.P. Chaturvedi & Co.,
Chartered Accountants
(Registration Number: 138274W)

J.P. Chaturvedi
Proprietor
Membership No. 031073



For and behalf of the Board of Directors
For Orchid Hotels Pune Private Limited

Vikram V. Kamat
Managing Director

Dinkar D. Jadhav
Director

Pooja Sawarkar
Company Secretary

Swati Bauskar
Chief Financial Officer

Place: Mumbai
Date: 13th May 2014

ORCHID HOTELS PUNE PRIVATE LIMITED
(Formerly known as B W Highway Star Private Limited)
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2014

BACKGROUND

Orchid Hotels Pune Private Limited ("the Company" or "OHPPL") was incorporated as B W Highway Star Private Limited in India on 21st April, 2007 as a private limited company under the Companies Act, 1956 with its registered office located in Mumbai. The Company was renamed as OHPPL on 13th April 2012. OHPPL is a 100% subsidiary of Kamat Hotel (India) Limited.

Orchid Hotels Pune Private Limited is operating in hospitality sector, with its hotels and restaurants located in Pune.

1.0 SIGNIFICANT ACCOUNTING POLICIES:

1.1 Basis for preparation of financial statements:

The Financial Statements are prepared under the historical cost convention on accrual basis of accounting in accordance with Accounting Principles Generally Accepted in India and are in compliance with the Accounting Standards as notified by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

1.2 Use of estimates:

The preparation of the financial statements in conformity with Indian GAAP requires Company management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as of the date of financial statements. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

1.3 Fixed assets and depreciation:

Fixed assets are carried at cost of acquisition less accumulated depreciation. The cost of acquisition includes inward freight, duties, taxes and other directly attributable incidental expenses including foreign exchange fluctuation gains / losses on depreciable assets and borrowing cost.

Depreciation on fixed assets is provided on the straight line method pro-rata to the period of use at the rates of depreciation prescribed in Schedule XIV to the Companies Act, 1956 which are considered as the minimum rates. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on management's estimate of the useful life / remaining useful life. Buildings taken on lease and Leasehold Improvements are written off over the primary lease period. Individual assets costing less than Rs 5,000/- are depreciated in full in the year of purchase.

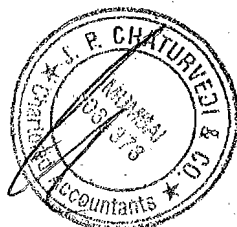
1.4 Impairment:

In accordance with Accounting Standard 28 Impairment of Assets (AS 28) as notified by the Companies (Accounting Standards) Rules 2006, the carrying amounts of the company's assets including intangible assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated, as the higher of the net selling price and the value in use. Any impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds, its recoverable amount.

1.5 Leases:

Lease payment under an operating lease is recognised as an expense in the Statement of Profit and Loss as per the terms of the respective Lease Agreement.

Assets taken on finance lease are capitalized and finance charges are charged to Statement of Profit and Loss on accrual basis.



ORCHID HOTELS PUNE PRIVATE LIMITED
(Formerly known as B W Highway Star Private Limited)
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

1.6 Investments:

Long term investments are carried at cost less any, diminution in value, other than temporary, determined separately for each individual investment.

1.7 Inventories:

Inventories are valued at lower of cost (weighted average basis) and net realizable value.

1.8 Revenue Recognition:

The Company derives revenues primarily from hospitality services. Revenue on time and material contracts are recognised as the related services are performed. Revenue from fixed price contracts are recognised using the percentage completion method. Revenue yet to be billed is recognised as unbilled revenue. Amounts received on long term contracts are represented as advance billing and is recognised proportionately over the period of the contract.

Sales and services are stated exclusive of taxes.

Interest income is recognised using the time proportion method based on the underlying interest rates. Dividends are recorded when the right to receive payment is established.

1.9 Foreign exchange transactions:

Transactions in foreign currencies are recorded at the exchange rates prevailing at the date of the transactions. Exchange differences arising on foreign currency transactions other than long term foreign currency items of assets and liabilities having a term of twelve months or more, and settled during the year are recognised in the Statement of Profit and Loss of the year.

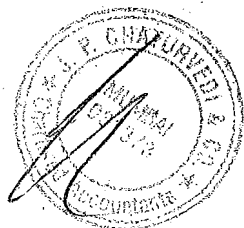
Monetary assets and liabilities denominated in foreign currency at the balance sheet date other than long term foreign currency items of assets and liabilities having a term of twelve months or more as discussed herein below, are translated at the yearend exchange rate and the resultant exchange differences are recognised in the Statement of Profit and Loss. Exchange differences relating to long term foreign currency items of assets and liabilities having a term of twelve months or more as covered in the Companies (Accounting Standards) Amendment Rules 2009 on Accounting Standard 11 (AS-11) notified by Government of India on 31st March 2009 in so far as they relate to the acquisition of a depreciable capital asset, are added to or deducted from the cost of the assets and depreciated over the balance useful life of the asset, and in other cases are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortized over the balance period of such long term monetary item in accordance with the aforesaid Notification.

1.10 Borrowing costs:

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. However, capitalization of such costs is suspended during extended periods in which active development of qualifying asset is interrupted. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are recognised in the Statement of Profit and Loss. Interest income earned from temporary deposits out of borrowed money pending deployment of funds to the full extent or until qualifying assets is ready, is reduced from borrowing costs capitalized.

1.11 Provisions and contingent liabilities:

The Company creates a provision where there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.



ORCHID HOTELS PUNE PRIVATE LIMITED

(Formerly known as B W Highway Star Private Limited)

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

1.12 Taxation:

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred income taxes reflect the impact of current period timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realized against future taxable profits. Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realised.

1.13 Prior Period Adjustments, Extraordinary items and changes in Accounting Policies:

Prior period adjustments, extraordinary items and changes in accounting policies having material impact on the financial affairs of the Company are disclosed.

1.14 Earnings per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting year. The weighted average number of equity shares outstanding during the year are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares). For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

1.15 Employee Benefits:

(a) Provident Fund:

Contribution to provident fund, which is a defined contribution scheme, is recognized as an expense in the Statement of Profit and Loss in the year in which it accrues.

(b) Gratuity:

The Company accounts for the net present value of its obligation for gratuity benefits based on an independent external actuarial valuation determined on the basis of the projected unit credit method carried out annually. Actuarial gains and losses are immediately recognized in the Statement of Profit and Loss.

(c) Compensated Absences

Provision for Compensated Absences is determined on the basis of actuarial valuation carried out by an independent actuary at the balance sheet date.



ORCHID HOTELS PUNE PRIVATE LIMITED
(Formerly known as B W Highway Star Private Limited)
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2014

(₹ in Lakhs)

2.1 SHARE CAPITAL:

	As at 31-Mar-14	As at 31-Mar-13
Authorised:		
2,50,00,000 Equity shares of ₹ 10/- each	2,500.00	2,500.00
	2,500.00	2,500.00
Issued, Subscribed and Fully Paid up:		
1,17,64,706 Equity Shares of ₹ 10/- each fully paid	1,176.47	1,176.47
TOTAL	1,176.47	1,176.47

2.1.1 The Company has only one class of shares referred to as equity shares having a face value of ₹ 10/-. Each holder is entitled to one vote per share.

2.1.2 Reconciliation of the number of shares outstanding:

	31-Mar-14	31-Mar-13
Number of Equity Shares at the beginning of the Year / Period	11,764,706	11,764,706
Add/(Less): Any movement during the Year		
Number of Equity Shares at the end of the Year / Period	11,764,706	11,764,706

2.1.3 In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

2.1.4 The details of shareholders holding more than 5% shares

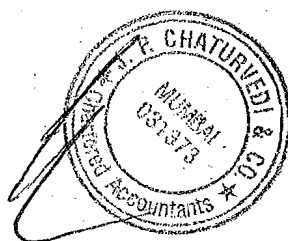
	As at 31-Mar-14		As at 31-Mar-13	
	Number of shares	% held	Number of shares	% held
Name of the Shareholder Kamat Hotels (India) Limited	11,764,706	100.00%	11,764,706	100.00%
	11,764,706	100%	11,764,706	100%

2.1.5 Particulars of shares held by specified categories

	As at 31-Mar-14		As at 31-Mar-13	
	No. of shares	% held	No. of shares	% held
By Holding Company	11,764,706	100.00%	11,764,706	100.00%
	11,764,706	100.00%	11,764,706	100.00%

2.2 RESERVES AND SURPLUS

	As at 31-Mar-14	As at 31-Mar-13
Securities Premium Reserve As per Last Balance Sheet	6,379.63	6,379.63
Surplus/(deficit) in the Statement of Profit and Loss As per Last Balance Sheet	(4,743.70)	(2,614.84)
Add/(Less): Net Profit/(Loss) after Tax transferred from Statement of Profit and Loss	(1,549.26)	(2,128.86)
Balance in Statement of Profit and Loss	(6,292.96)	(4,743.70)
TOTAL	86.67	1,635.93



ORCHID HOTELS PUNE PRIVATE LIMITED
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NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in Lakhs)

3.1 LONG TERM BORROWINGS

	31-Mar-14		31-Mar-13	
	Non-Current Portion	Current Maturities	Non-Current Portion	Current Maturities
Secured:				
Term Loans from Banks: (Assigned to ARCIL during the year). ICICI-Bank Limited (Limit ₹ 193.00 Crores) (Note 3.1.1 below & 3.1.2)		17,421.31	15,492.90	1,867.10
Unsecured:				
Other Loans and Advances: Kamats Hotels (India) Limited (Holding Company)(Note 3.1.3 below).	19,646.40	-	19,648.99	-
Placewell Jobs Private Limited		-	3,012.23	-
Plaza Hotels Private Limited	303.71	-		-
Kamats Developers Pvt. Ltd.	65.00	-		-
TOTAL	20,015.11	17,421.31	38,154.12	1,867.10

Nature of Securities

3.1.1 Term loans from Bank were taken during the Financial year 2007-08, 2008-09 and 2012-13 which carry Interest @ 12.5% - 16% p.a. The loans are repayable in 30/32 Quarterly Instalments ranging from Rs 186.70 Lakhs beginning from 31/12/2011 to Rs 794.40 Lakhs ending on 31/12/2021 and interest is payable on monthly basis. The Loan is secured by first charge on all movable and immovable fixed assets of the company both present and future, secured by exclusive charge by way of hypothecation of the stocks, current assets including book debts, bills receivables both present and future, guaranteed by corporate guarantee of Kamat Hotels (India) Ltd (Holding Co.) and personal guarantees of some Directors. These loans have been assigned by the Bank to ARCIL vide Assignment Agreement dated 27th September, 2013.

3.1.2 Particulars of Term Loans from Banks- Secured- Guaranteed:	As at	As at
	31-Mar-14	31-Mar-13
(i) By Directors	17,421.31	17,360.00
(ii) By Holding Company	17,421.31	17,360.00

3.1.3 The unsecured loans taken from Holding Company Kamat Hotels (India) Limited is repayable as per the terms of loan agreement dated 17th March, 2010 and subsequent modifications thereafter subject to availability of funds. The Loans carry interest of 14.25% p.a which is subject to revision based on average cost of borrowings to the Holding Company, which will be adjusted at the year end. However no interest has been provided on the loan from subsidiary based on the request made by the Company w.e.f 1st jan 2014.

3.2 OTHER LONG TERM LIABILITIES (NON CURRENT)

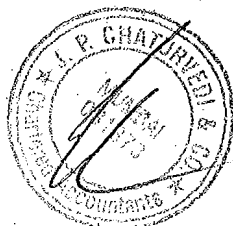
	As at	As at
	31-Mar-14	31-Mar-13
Security Deposits - Others	8.83	-
TOTAL	8.83	-

3.3 LONG TERM PROVISIONS:

	As at	As at
	31-Mar-14	31-Mar-13
Provision for long service awards to employee	19.86	14.44
TOTAL	19.86	14.44

4.1 TRADE PAYABLES

	As at	As at
	31-Mar-14	31-Mar-13
Due to Related Parties	31.38	39.28
Sundry Creditors	358.95	348.69
TOTAL	390.33	387.97



ORCHID HOTELS PUNE PRIVATE LIMITED

(Formerly known as B W Highway Star Private Limited)

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in Lakhs)

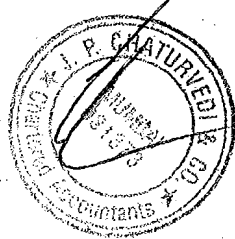
4.2 OTHER CURRENT LIABILITIES

	As at 31-Mar-14	As at 31-Mar-13
Current Maturities of Long term Borrowings	17,421.31	1,867.10
Interest accrued and due - Bank	1,418.68	223.69
Interest accrued but not due - Related Parties	4,205.34	2,387.43
Creditors for Capital Expenditure	169.81	311.02
Advance from Customers	62.84	69.89
Due to Issue of Cheques	0.72	11.99
ICICI Bank BG Devolvement A/C	179.44	195.70
Other Payables *	670.95	588.02
TOTAL	24,129.09	5,654.84

* Includes Statutory dues, Tender Deposit taken

4.3 SHORT TERM PROVISIONS:

	As at 31-Mar-14	As at 31-Mar-13
Provision for employee benefits - Current	3.76	2.08
TOTAL	3.76	2.08



ORCHID HOTELS PUNE PRIVATE LIMITED
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NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

5.0 FIXED ASSETS

(₹ in Lakhs)

Gross Block (At Cost / Revalued)	As at 01/04/2013	Additions during the Year / Period	Deductions / Retirements during the year / Period	As at 31/03/2014
(a) Tangible Assets				
Leasehold Improvements	38,403.61	1,974.17	49.06	40,328.72
Furniture and Fixtures	365.63	0.65	-	366.28
Plant and Equipment	3,942.49	5.04	-	3,947.53
Office Equipment	44.49	-	-	44.49
	<u>42,756.22</u>	<u>1,979.86</u>	<u>49.06</u>	<u>44,687.02</u>
(b) Intangible Assets				
Computer Software	11.82	-	-	11.82
	<u>11.82</u>	<u>-</u>	<u>-</u>	<u>11.82</u>
TOTAL	<u>42,768.04</u>	<u>1,979.86</u>	<u>49.06</u>	<u>44,698.84</u>

Depreciation and Amortization

(a) Tangible Assets

	As at 01/04/2013	Charge for the Year / Period	Upto 31/03/2014
Leasehold Improvements	1,081.64	719.47	1,801.11
Furniture and Fixtures	82.61	34.82	117.43
Plant and Equipment	695.22	208.49	903.71
Office Equipment	28.73	7.16	35.89
	<u>1,888.20</u>	<u>969.94</u>	<u>2,858.14</u>

(b) Intangible Assets

Computer Software	5.74	1.92	7.66
	<u>5.74</u>	<u>1.92</u>	<u>7.66</u>
TOTAL	<u>1,893.94</u>	<u>971.86</u>	<u>2,865.80</u>

Net Book Value

As at 31/03/2014 As at 31/03/2013

(a) Tangible Assets

Leasehold Improvements	38,527.60	37,321.98
Furniture and Fixtures	248.85	283.02
Plant and Equipment	3,043.82	3,247.27
Office Equipment	8.60	15.76
	<u>41,828.87</u>	<u>40,868.03</u>

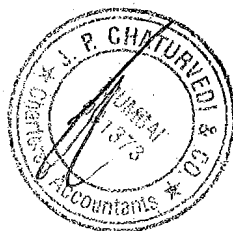
(b) Intangible Assets

Computer Software	4.17	6.08
TOTAL	<u>4.17</u>	<u>6.08</u>

41,833.04 40,874.11

Notes:

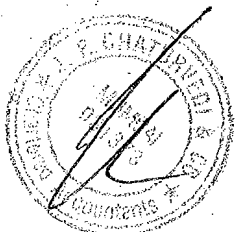
The Company has constructed two hotels on lease hold land belonging to Director of Sports and Youth Services, Govt. of Maharashtra under Concessionaire Agreement dated 16th July 2007 for a term of 60 years



ORCHID HOTELS PUNE PRIVATE LIMITED
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NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in Lakhs)

	As at 31-Mar-14	As at 31-Mar-13
Capital work in progress:		
Opening Balance	3,366.00	-
Add: Further incurred during the year	-	3,366.00
Add: Expenses Pending Allocation added during the year	-	-
	3,366.00	3,366.00
Less: Capital work in progress allocated to Fixed Assets	3,366.00	-
Closing Balance	-	3,366.00
6.0 DEFERRED TAX ASSETS	As at 31-Mar-14	As at 31-Mar-13
Deferred Tax Liability Related to Fixed Assets	2,815.84	2,001.90
Deferred Tax Assets		
Disallowances under Income Tax Act, 1961	35.15	23.80
Carried forward Depreciation Allowance and Business Loss	5,415.59	3,892.46
TOTAL	5,450.74	3,916.26
DEFERRED TAX ASSETS (NET)	2,634.90	1,914.36
7.0 LONG TERM LOANS AND ADVANCES: (Unsecured, considered good)	As at 31-Mar-14	As at 31-Mar-13
Capital Advances	-	11.26
Security Deposits	133.72	117.46
TOTAL	133.72	128.72
8.0 INVENTORIES: (Valued at lower of cost and net realizable value)	As at 31-Mar-14	As at 31-Mar-13
Stock of Liquor, Provision, etc. (As per inventories valued and certified by the Management)	86.75	76.83
TOTAL	86.75	76.83
9.0 TRADE RECEIVABLES: (Unsecured, considered good unless otherwise stated)	As at 31-Mar-14	As at 31-Mar-13
A. Outstanding for six months from the date they are due for payment	6.24	11.47
Less: Provision for doubtful debts	1.63	-
	4.61	11.47
B. Other receivables	123.20	144.06
Less: Provision for doubtful debts	-	-
	123.20	144.06
Total (A + B)	127.81	155.53



ORCHID HOTELS PUNE PRIVATE LIMITED
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NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in Lakhs)

10.0 CASH AND BANK BALANCES:

	As at 31-Mar-14	As at 31-Mar-13
Cash and cash equivalents:		
Balances with banks:		
On current accounts	35.14	93.00
Cash on hand	6.73	5.12
	41.87	98.12
Other Bank Balance		
Margin Money in Fixed deposit with Banks with Maturity of more than 12 Months	68.11	130.07
TOTAL	109.98	228.19

11.0 SHORT TERM LOANS AND ADVANCES:

	As at 31-Mar-14	As at 31-Mar-13
(Unsecured, considered good)		
Balances with Tax Authorities	7.23	4.51
Payment of income tax (net of provision for taxation)	85.24	48.35
Prepaid Expenses	16.42	154.60
Loans to Employees	0.14	0.54
Supplier Advances	5.32	68.26
Loans and Advances - Others (Includes advance Lease Rent to Directors Sports)	786.78	-
TOTAL	901.13	276.26

12.0 OTHER CURRENT ASSETS

	As at 31-Mar-14	As at 31-Mar-13
Interest Receivable on Electricity Deposit	-	5.14
Interest Receivable on Bank Fixed Deposits	2.79	0.71
TOTAL	2.79	5.85



ORCHID HOTELS PUNE PRIVATE LIMITED
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NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in Lakhs)

13.0 REVENUE FROM OPERATIONS:	01/04/2013 to 31/03/2014	01/04/2012 to 31/03/2013
HOTEL OPERATIONS:		
Sale of services:		
Rooms, Restaurants, Bar, Banquets, etc.:		
Rooms	1,028.47	1,198.68
Food and Beverages	1,107.81	1,182.82
Wines and Liquor	146.18	143.10
(A)	2,282.46	2,524.60
Other Operating revenue:		
Telephones and Internet Services	0.34	0.22
Membership- Sales Promotion Schemes		3.67
Laundry Services	9.11	14.95
Leave and License Fees	21.35	14.30
Conferences and Banqueting Services	108.34	284.03
Car Rental and Transportation	10.53	13.44
Space Rent from Telecom Operators	11.04	10.10
Other services	3.29	3.39
(B)	164.00	344.10
TOTAL	(A+B) 2,446.46	2,868.70
14.0 OTHER INCOME:	01/04/2013 to 31/03/2014	01/04/2012 to 31/03/2013
Gain on Foreign Exchange	1.06	0.07
Miscellaneous Income	8.82	3.21
Commission Earned	0.99	0.70
Liabilities and Provisions written back	12.92	6.90
	23.79	10.88
Interest Earned:		
Interest Earned on Bank Fixed Deposit	10.95	15.49
Interest Earned on ICD		2.13
	10.95	17.62
TOTAL	34.74	28.50
15.0 COST OF FOOD AND BEVERAGE CONSUMED:	01/04/2013 to 31/03/2014	01/04/2012 to 31/03/2013
Opening Stock	17.29	10.38
Add: Purchases	473.76	448.49
	491.05	458.87
Less: Closing Stock	36.34	17.29
TOTAL	454.71	441.58
16.0 EMPLOYEE BENEFITS EXPENSE:	01/04/2013 to 31/03/2014	01/04/2012 to 31/03/2013
Salaries & Wages	450.95	527.30
Contribution to Provident and other Funds	20.82	24.41
Provision for Gratuity	7.14	3.50
Provision for Leave Encashment	0.47	0.19
Staff Welfare Expenses	77.81	85.39
TOTAL	557.19	640.79



ORCHID HOTELS PUNE PRIVATE LIMITED
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NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in Lakhs)

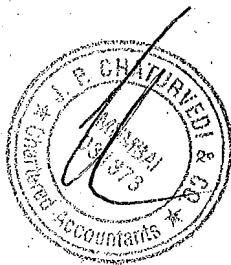
17.0 FINANCE COST:

	01/04/2013 to 31/03/2014	01/04/2012 to 31/03/2013
Interest to bank (Note 17.1 below)	1,435.09	2,405.46
Interest to Others	-	46.48
Other Borrowing Cost	3.56	0.17
TOTAL	1,438.65	2,452.11

17.1 No interest has been provided on bank loan from 1st October, 2013 onwards and the account has become NPA.

18.0 OTHER EXPENSES:

	01/04/2013 to 31/03/2014	01/04/2012 to 31/03/2013
Operating Expenses		
Electricity Charges	408.44	433.68
Gas and Fuel	100.24	86.65
Lease Premium to Director of Sports	189.58	189.58
Licence, Rates and Taxes	194.07	228.84
Expenses on Apartments and Board	57.14	77.36
Sanitation and Laundry (net)	24.68	37.09
Repairs to Building	19.39	22.07
Repairs to Plant and Machinery	37.54	42.90
Repairs to Others	4.29	13.51
Replacements of operating supplies	7.61	4.04
Hire Charges	20.29	54.52
Water Charges	29.41	41.48
	1,092.68	1,231.72
Sales & Marketing Expenses		
Advertisement Charges	6.68	13.59
Sales Promotion and Marketing Expenses	7.59	9.92
Commission, Rebates, Short Recoveries, etc.	41.41	45.15
Management Consultancy fees and Royalty	75.46	105.41
Band and Music Expenses	17.16	18.10
	148.30	192.17
Admin & General Expenses		
Insurance	12.94	12.01
Travelling and Conveyance	4.54	7.66
Printing and Stationery	11.37	14.60
Telecommunication Expenses	8.88	9.78
Vehicle expenses	7.19	2.84
Legal, Professional and Consultancy Charges	12.25	25.78
Auditors Remuneration	0.91	1.08
ESIC Assessment Dues	1.72	-
Provision for Bad/Doubtful debts	1.63	-
Loss due to Fire	-	8.50
Miscellaneous Expenses	26.17	15.84
	87.60	98.09
TOTAL	1,328.58	1,521.98



ORCHID HOTELS PUNE PRIVATE LIMITED

(Formerly known as B W Highway Star Private Limited)

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**19.0 PAYMENT TO AUDITORS AS:**

	01/04/2013 to 31/03/2014	01/04/2012 to 31/03/2013
Statutory Audit Fees	0.80	1.00
Certification and Consultation fees	0.01	0.08
Service Tax (Net of input credit taken)	0.10	-
TOTAL	0.91	1.08

20.0 EXPENDITURE IN FOREIGN CURRENCY:

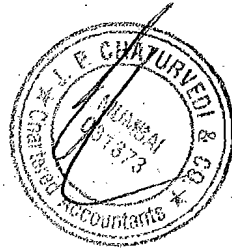
	2013-2014	2012-2013
Commission paid on Room Bookings	1.38	4.60
TOTAL	1.38	4.60

21.0 EARNINGS PER SHARE (EPS)

	2013-14	2012-13
Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	(1,549.26)	(2,128.86)
Weighted Average number of equity shares used as denominator for calculating EPS	11,764,706	11,764,706
Basic and Diluted Earnings Per Shares ₹	(13.17)	(18.10)
Face Value per equity share ₹	10.00	10.00

22.0 EARNINGS IN FOREIGN EXCHANGE

	2013-14	2012-13
For Hotel Services rendered	12.90	7.89



ORCHID HOTELS PUNE PRIVATE LIMITED
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NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

23.0 RELATED PARTY DISCLOSURES:

Related Parties where control exists:

(a) Holding Company

Kamat Hotels (India) Limited (from 21st May, 2009)

(b) Associates:

Plaza Hotels Private Limited
Placewell Jobs Private Limited
Kamats Development Pvt. Ltd.

(c) Key Management Personnel

Mr. Vikram V. Kamat Managing Director

(d) Summary of transactions during the year with Related Parties entered into on commercial basis in the interest of the Company and approved by the Board and status of outstanding balances as on 31st March, 2014:

(₹ In Lakhs)

Sr. No.	Nature of transactions	Holding Company	Associates	TOTAL
1	Management Consultancy Fees Incurred	83.18	NIL	83.18
		(96.97)	(NIL)	(96.97)
2	Interest on Long term loans taken*	1,843.10	NIL	1,843.10
		(2,271.31)	(NIL)	(2,271.31)
3	Advances received on Capital/Current Account	NIL	NIL	-
		(4,152.02)	(NIL)	(4,152.02)
4	Loans taken during the year	(NIL)	404.00	404.00
		(NIL)	(NIL)	(NIL)
5	Advances repaid during the year	7.90	25.00	32.90
		(NIL)	(NIL)	(NIL)
6	Advances given during the year	NIL	634.44	634.44
		(NIL)	(NIL)	(NIL)
7	Repayment of Loans	2.59	35.29	37.88
		(NIL)	(600.00)	(600.00)
8	Balance outstanding at the year end:			
	Accounts Payable	23,875.94	375.90	24,251.84
		(22,043.52)	(32.18)	(22,075.70)
9	Project Advance	NIL	634.44	634.44
		(NIL)	(NIL)	(NIL)
10	Corporate Guarantee provided by Kamat Hotel (India) Limited on behalf of the Company	20,434.00	NIL	20,434.00
		(20,434.00)	(NIL)	(20,434.00)
11	Corporate Guarantee Given to bankers for Credit Facility availed by Kamat Hotels (India) Limited.	38,583.00	NIL	NIL
		(NIL)	(NIL)	(NIL)

* No interest has been provided from 1st January, 2014 onwards.

** Figures in brackets are for previous year.

(e) Significant Related party Transactions

Management Consultancy Fees of Rs. Rs. 31.38 lakhs is due to Kamat Hotels (India) Ltd.

Loans taken during the year Rs. 404.00 lakhs includes Rs. 100.00 lakhs from Kamats Development Pvt Ltd and Rs. 304.00 lakhs from Plaza Hotels Private Limited

Advances received on Capital/Current Account represents amount of Rs 9.31 lakhs from Kamat Hotels (India) Ltd.

Project Advances Given during the year to a Associate Company Placewell Jobs Pvt. Ltd. Rs.634.44 Lakhs

Corporate Guarantee provided by Kamat Hotel (India) Limited on behalf of the Company Rs 20,434.00 lakhs.

Accounts Payable includes amount of Rs 23,875.94 lakhs due to Kamat Hotels (India) Ltd

Accounts Payable includes amount of Rs 65.00 lakhs due to Kamats Development Pvt. Ltd, Rs. 310.90 lakhs due to Plaza Hotels Private Limited.

Company has given Corporate Guarantee to Bankers for Rs.38,583.00 lakhs on behalf of loan availed by Holding Company.

24.0 CONTINGENT LIABILITY AND COMMITMENTS

a) Estimated amount of capital commitments to be executed on capital account and not provided for NIL (Prev. year Rs. Nil) (Net of advances)



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b) Open import licenses Rs. 1,008.74 Lakhs (Prev. Year Rs. 921.54 Lakhs)

c) Counter Guarantees issued by the Company to secure Bank Guarantees Rs.1,229.03 Lakhs (Previous year Rs. 1,229.03 Lakhs)

d) Claims against the Company in respect of disputed demand by Contractors pending in appropriate courts Rs.87.22 lakhs (Prev. year Rs. 87.22 lakhs) and disputed claim of additional premium Rs. 225.00 lakhs (Prev. year Rs 225.00 lakhs) by The Director of Sports govt. of Maharashtra.

25.0 VALUE OF IMPORTS ON CIF BASIS

	2013-14	2012-13
Capital Goods	Nil	Nil
TOTAL	<u>NIL</u>	<u>NIL</u>



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26.0 Disclosure as per Accounting Standard 15 (Revised) "Employee Benefits" as notified by the Companies (Accounting Standards) Rules, 2006:

(a) Defined Contribution Plan, recognized as expenses for the year are as under:

	2013-14	2012-13
Employer's Contribution to Provident and Pension Fund Rs.	20.82	24.41

The Company makes contributions towards provident fund and pension fund for qualifying employees to the Regional Provident Fund Commissioner.

(b) Defined Benefit Plan:

The Company provides gratuity benefit to its employees which is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity.

Particulars	2013-14		2012-13	
	Gratuity (Unfunded)	Leave Encashment (Unfunded)	Gratuity (Unfunded)	Leave Encashment (Unfunded)
a) Change in Present Value of Obligation				
Current Service Cost	3.40	5.09	3.97	1.96
Interest Cost	0.65	0.57	0.29	-
Actuarial (Gain) / Loss on Obligation	3.10	(1.32)	(0.76)	(8.67)
Benefits Paid		4.39		
Present value of the obligation at the end of the year	14.25	9.37	7.11	9.42
b) Amounts Recognised in the Balance Sheet:				
Present value of Obligation at the end of the year	14.25	9.37	7.11	9.42
Fair value of Plan Assets at the end of the year	-	-	-	-
Net Obligation at the end of the year	14.25	9.37	7.11	9.42
c) Amounts Recognised in the Statement of Profit and Loss:				
Current Service Cost	3.40	5.09	3.97	1.96
Interest cost on Obligation	0.65	0.57	0.29	-
Expected return on Plan Assets	-	-	-	-
Net Actuarial (Gain) / Loss recognised in the year	3.10	(1.32)	(0.76)	(8.67)
Net Cost Included in Personnel Expenses	7.14	4.34	3.50	(6.71)
d) Actuarial Assumptions				
i) Discount Rate	9.10%	9.10%	8.50%	8.50%
ii) Expected Rate of Return on Plan Assets	-	-	-	-
iii) Salary Escalation Rate	7.00%	7.00%	6.50%	6.50%
iv) Mortality	Indian Assured Lives (2006-08) Ultimate	Indian Assured Lives (2006-08) Ultimate	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate

27.0 The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.

28.0 In respect of the Company's turnover of Food and Beverages, it is not possible to give quantity-wise details of such turnover. The Government of India, Ministry of Finance (Department of Company Affairs) vide their notification No. S.O.301 (E) dated 18.02.2011 has granted general exemption to Hotel Companies from giving these particulars in the accounts.

