

31st March, 2015

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.

STATEMENT OF AUDITED ACCOUNTS

FOR THE YEAR ENDED

31ST MARCH 2015

AUDITORS
MESSRS J.P.CHATURVEDI & CO
Chartered Accountants

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 31st March, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, Implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether



due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its losses and its cash flows for the year ended on that date.

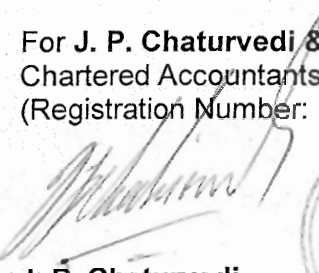
Report on Other Legal and Regulatory Matters

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") dated 10th April, 2015, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement by us in this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements (Refer Note 18.1, 18.2 and 24 to the financial statements).



- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

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


J. P. Chaturvedi
Proprietor
Membership No.: 031373



Place: Mumbai
Dated: 23rd May, 2015

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 TO THE AUDITORS' REPORT

The Annexure referred to in our report to the members of **Orchid Hotels Pune Private Limited** for the year ended 31st March, 2015. We report that:

1. (a) The Company has maintained proper records showing full particulars including) quantitative details and situation of fixed assets installed at its various units.

(b) According to the information and explanations given to us, some of the fixed assets) have been physically verified during the year by the management in accordance with a phased programme of verification, which in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. No material discrepancies were noticed on such verification.

2. (a) As explained to us, physical verification of inventories has been conducted by the) management at reasonable intervals.

(b) In our opinion and according to the information and explanations given to us, the) procedures of 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) On the basis of our examination of the inventory records of the Company, we are of the opinion that the company is maintaining proper records of inventory. Discrepancies, which were noticed on physical verification of inventory as compared to book records, were not material and have been properly dealt with in the books of account.
3. 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 189 of the Companies Act, 2013.
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 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 the internal control system.
5. The Company has not accepted any deposits from the public within the meaning of Section 73 to 76 of the Companies Act, 2013 and the rules framed there under. We are informed that the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court has not passed any Order.
6. The maintenance of cost records has not been prescribed for any of the products of the Company under sub-section (1) of section 148 of the Companies Act.



- 7 (a) According to the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues, including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it though there has been a slight delay in a few cases. According to the information and explanations given to us, there were no arrears of undisputed amounts payable in respect of above statutory dues which were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no cases of non-deposit with appropriate authorities of disputed dues of sales-tax, wealth tax, service tax, customs duty, excise duty or cess.
- (c) The company does not have any unpaid dividends and hence is not required to transfer any amount to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.
- 8 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 not incurred cash loss during the year but has incurred cash loss of Rs. 1,297.93 lakhs in the immediately preceding financial year.
- 9 The Company has defaulted secured term loans and interest thereon amounting to Rs. 18,812.34 lakhs re-called by ICICI Bank and the loans have been assigned by the Bank to ARCIL during the previous year. The Company has not made provision for interest on bank loans from 1st October, 2013 onwards. The Company has not borrowed any money by way of debentures.
- 10 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. In our opinion, the terms and conditions on which the Company has given guarantee, are *prima facie* not prejudicial to the interest of the Company.
- 11 According to the information and explanations given to us, no new term loans were raised by the Company during the year under report and accordingly our comments on the utilization of the loans are not applicable.
- 12 According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

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

J. P. Chaturvedi
Proprietor
Membership No.: 031373



Place: Mumbai
Dated: 23rd May, 2015

ORCHID HOTELS PUNE PRIVATE LIMITED

(Formerly known as B W Highway Star Private Limited)

CIN No.U55101MH2007PTC170188

BALANCE SHEET AS AT 31ST MARCH, 2015

		As at 31-Mar-2015	(₹ in Lakhs) As at 31-Mar-14
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	2.1	1,176.47	1,176.47
Reserves and Surplus	2.2	(380.14)	86.67
		796.33	1,263.14
NON-CURRENT LIABILITIES			
Long Term Borrowings	3.1	19,646.40	20,015.11
Deferred Tax Liabilities (Net)		-	-
Other Long Term Liabilities	3.2	19.51	8.83
Long Term Provisions	3.3	19.02	19.86
		19,684.93	20,043.80
CURRENT LIABILITIES			
Trade Payables	4.1	282.85	390.33
Other Current Liabilities	4.2	24,093.02	24,129.09
Short Term Provisions	4.3	2.59	3.76
		24,378.46	24,523.18
TOTAL		44,859.72	45,830.12
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets:			
Tangible Assets	5.0	40,674.97	41,828.87
Intangible Assets	5.0	3.61	4.17
Deferred Tax Assets (Net)	6.0	2,929.32	2,634.90
Long Term Loans and Advances	7.0	126.85	133.72
		43,734.75	44,601.66
CURRENT ASSETS			
Inventories	8.0	65.33	86.75
Trade Receivables	9.0	90.65	127.81
Cash and Bank Balances	10.0	156.41	109.98
Short Term Loans and Advances	11.0	809.30	901.13
Other Current Asstes	12.0	3.28	2.79
		1,124.97	1,228.46
TOTAL		44,859.72	45,830.12

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: 130274W)

J P Chaturvedi
Proprietor
Membership No. 031373

Place: Mumbai
Date : 23rd May , 2015

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

Vikram V. Kamat
Managing Director
(DIN : 00556284)

Vidhi Jobanputra
Company Secretary

Dinkar D. Jadhav
Director
(DIN : 01809881)

Swati Bauskar
Chief Financial Officer



ORCHID HOTELS PUNE PRIVATE LIMITED

(Formerly known as B W Highway Star Private Limited)

CIN No.U55101MH2007PTC170188

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2015

	Note No.	2014-15	(₹ in Lakhs) 2013-14
INCOME			
Revenue from Hotel Operations	13.0	2,820.89	2,446.46
Other Income	14.0	20.32	34.74
Total Revenue		2,841.21	2,481.20
EXPENDITURE			
Cost of Food and Beverages consumed	15.0	426.54	454.71
Employee Benefit Expenses	16.0	577.20	557.19
Other Expenses	18.0	1,439.11	1,328.58
Total Expenses		2,442.85	2,340.48
Profit/(Loss) before Finance Cost, Depreciation and Tax		398.36	140.72
Finance Costs	17.0	0.48	1,438.65
Depreciation and Amortization Expense	5.0	1,149.15	971.86
Profit/(Loss) before Tax		(751.27)	(2,269.79)
Tax Expense:			
(1) Current Tax		-	-
(2) Deferred Tax		(294.42)	(720.53)
Profit (Loss) for the period/year		(456.85)	(1,549.26)

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

Basic & Diluted	(3.88)	(13.17)
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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: 130274W)

J P Chaturvedi
Proprietor
Membership No. 031373

Place: Mumbai
Date : 23rd May , 2015

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

Vikram V. Kamat
Managing Director
(DIN : 00556284)

Dinkar D. Jadhav
Director
(DIN : 01809881)

Vidhi Jobanputra
Company Secretary

S B Bauskar
Swati Bauskar
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 2015

PARTICULARS	2014-15		2013-14	
			(₹ in Lakhs)	
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Net profit/(Loss) before tax as per Statement Profit and Loss		(751.27)		(2,269.79)
<i>Adjustment for:</i>				
Depreciation and Amortization Expense	1,149.15		971.87	
Provision for Gratuity	-		7.14	
Provision for Earned Leave	1.00		0.48	
Provision for Bad and Doubtful Debts	0.27		1.63	
Liabilities and Provisions written back	(5.63)		(12.92)	
Interest income	(10.64)		(10.95)	
Finance Cost	0.49	1,134.64	1,438.65	2,395.90
Operating Profit/(Loss) before working capital changes		383.37		126.11
<i>Adjusted for:</i>				
Trade and other receivables	143.45		(213.11)	
Increase in Inventories	21.42		(9.92)	
Trade and other Payables	(95.41)	69.46	(20.24)	(243.27)
Cash generated from/(used for) operations		452.83		(117.16)
Direct Taxes Paid		(7.86)		(36.89)
Net cash from/(used for) operating activities		444.97		(154.05)
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets (including Capital Work in Progress)	(4.64)		(136.76)	
Margin Money with Banks	(2.55)		61.97	
Interest Received	10.15	2.96	14.01	(60.78)
Net Cash generated from / (used in) Investing Activities		2.96		(60.78)
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Proceeds from Long term borrowings			368.71	
Loan from Holding Company	-		-	
Repayment of Loan from Holding Company	-		(2.59)	
Proceeds from Bank Loan	-		304.00	
Repayment of Current Maturities of Long Term Borrowings	(368.71)		(242.70)	
Repayment of Bank Loan	(27.66)		(268.84)	
Interest paid	(7.67)		-	
		(404.04)		158.58
Net Cash generated from / (used in) Financing Activities		(404.04)		158.58
Net Increase/ (Decrease) in Cash and Cash Equivalents		43.89		(56.25)
Opening Balance of Cash and Cash Equivalents		41.87		98.12
Closing Balance of Cash and Cash Equivalents		85.76		41.87

As per our report of even date
For J P Chaturvedi & Co.
Chartered Accountants
(Registration Number: 130274W)

J P Chaturvedi
Proprietor
Membership No. 031373

Place: Mumbai
Date : 23rd May 2015



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

Vikram V. Kamat Managing Director (DIN : 00556284)
Dinkar G. Jadhav Director (DIN : 01809881)

Vidhi Jaganputra Company Secretary
Swati Bauskar Chief Financial Officer



ORCHID HOTELS PUNE PRIVATE LIMITED
(Formerly Known as B W Highway Star Private Limited)
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2015

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 notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 to the extent applicable.

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.

Effective 1st April, 2014, the Company depreciates its fixed assets over the useful life in the manner prescribed in Schedule II of the Companies Act, 2013, as against the earlier practice of depreciating at the rates prescribed in Schedule XIV of the Companies Act, 1956. Considering the applicability of Schedule II, the management has re-estimated useful Lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful Lives and residual values of fixed assets.

Depreciation on fixed assets is provided on straight-line method, over estimated useful Lives, as determined by the management, as under:

Class of assets	Useful Life
Plant and Machinery	15 years
Office equipments	5 years
Computer hardware	3 to 6 years
Computer software	10 years
Vehicles	8 years
Furniture and fixtures	8 years
Leasehold improvements	Over the lease period

For assets purchased/sold during the year, depreciation is being provided on pro rata basis.

1.4 Impairment:

In accordance with Accounting Standard 28 Impairment of Assets (AS 28) as notified under section 133 of the Companies Act 2013 read together with paragraph 7 of the Companies (Accounts) Rules 2014, 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



ORCHID HOTELS PUNE PRIVATE LIMITED
(Formerly Known as B W Highway Star Private Limited)
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

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
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NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2015

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, 2015

(₹ in Lakhs)

2.1 SHARE CAPITAL:

	As at 31-Mar-15	As at 31-Mar-14
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 Rs.10/-. Each holder is entitled to one vote per share.

2.1.2 Reconciliation of the number of shares outstanding:

	31-Mar-15	31-Mar-14
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-15		As at 31-Mar-14	
	Number of shares	Number of shares %	Number of shares	Number of shares %
Name of the Shareholder Kamat Hotels (India) Limited	11,764,706	100.00%	117,647,060	100.00%
	11,764,706	100.00%	117,647,060	100.00%

2.1.5 Particulars of shares held by specified categories

	As at 31-Mar-15		As at 31-Mar-14	
	% held	No. of shares	% held	No. of shares
By Holding Company	11,764,706	100.00%	117,647,060	100.00%
	11,764,706	100.00%	117,647,060	100.00%

2.2 RESERVES AND SURPLUS

	As at 31-Mar-15	As at 31-Mar-14
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	(6,292.96)	(4,743.70)
Add/(Less): Depreciation adjusted against Opening Reserve	(9.96)	-
	(6,302.92)	(4,743.70)
Add/(Less): Net Profit/(Loss) after Tax transferred from Statement of Profit and Loss	(456.85)	(1,549.26)
Balance in Statement of Profit and Loss	(6,759.77)	(6,292.96)
TOTAL	(380.14)	86.67



ORCHID HOTELS PUNE PRIVATE LIMITED
(Formerly Known as B W Highway Star Private Limited)
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

(in Lakhs)

3.1 LONG TERM BORROWINGS

	31-Mar-15		31-Mar-14	
	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 Rs.193.00 Crores) [Note 3.1.1& 3.1.2 below]	-	17,573.09	-	17,600.75
Unsecured:				
Other Loans and Advances:				
Kamat Hotels (India) Limited (Holding Company)(Note 3.1.3 below).	19,646.40	-	19,646.40	-
Loans and Advances from Other companies	-	-	368.71	-
TOTAL	19,646.40	17,573.09	20,015.11	17,600.75

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 ₹ 186.70 Lakhs beginning from 31/12/2011 to ₹ 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. No interest on loans from Bank has been provided from October, 2013 onwards.

3.1.2 Particulars of Term Loans from Banks- Secured- Guaranteed:	As at	As at
	31-Mar-15	31-Mar-14
(i) By Directors	17,573.09	17,421.31
(ii) By Holding Company	17,573.09	17,421.31

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 January, 2014.

3.2 OTHER LONG TERM LIABILITIES (NON CURRENT)

	As at	As at
	31-Mar-15	31-Mar-14
Security Deposits - Others	19.51	8.83
TOTAL	19.51	8.83

3.3 LONG TERM PROVISIONS:

	As at	As at
	31-Mar-15	31-Mar-14
Provision for long service awards to employee	19.02	19.86
TOTAL	19.02	19.86

4.1 TRADE PAYABLES

	As at	As at
	31-Mar-15	31-Mar-14
Due to Related Parties	-	31.38
Sundry Creditors	282.85	358.95
TOTAL	282.85	390.33



ORCHID HOTELS PUNE PRIVATE LIMITED
 (Formerly Known as B W Highway Star Private Limited)
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2015

4.2 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

	As at 31-Mar-15	As at 31-Mar-14
Current Maturities of Long term Borrowings (Assigned to ARCIL) (Note 4.21)	17,573.09	17,600.75
Interest accrued and due - Bank	1,418.68	1,418.68
Interest accrued but not due - Related Parties	4,198.16	4,205.34
Creditors for Capital Expenditure	169.86	169.81
Advance from Customers	81.68	62.84
Lease Premium Payable - Provision	53.33	-
Due to Issue of Cheques	-	0.72
Other Payables *	598.22	670.95
TOTAL	24,093.02	24,129.09

* Includes Statutory dues, Tender Deposit taken, other deposit taken

4.21 Includes Rs.184.70 lakhs recalled by the Bank during the year , which was paid to Director of Sports upon devolvement of Bank Guarantee.

4.3 SHORT TERM PROVISIONS:

	As at 31-Mar-15	As at 31-Mar-14
Provision for employee benefits - Current	2.59	3.76
TOTAL	2.59	3.76



ORCHID HOTELS PUNE PRIVATE LIMITED
(Formerly Known as B W Highway Star Private Limited)
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in Lakhs)					
5.0 FIXED ASSETS	As at 01/04/2014	Additions during the Year / Period	Deductions / Retirements during the year / Period	As at 31/03/2015	As at 31/03/2014
Gross Block (At Cost / Revalued)					
(a) Tangible Assets					
Leasehold Improvements	40,328.73	-		40,328.73	40,328.72
Furniture and Fixtures	366.28			366.28	366.28
Plant and Equipment	3,947.52	1.84		3,949.36	3,947.53
Office Equipment	44.49	0.96		45.45	44.49
	<u>44,687.02</u>	<u>2.80</u>	<u>-</u>	<u>44,689.82</u>	<u>44,687.02</u>
(b) Intangible Assets					
Computer Software	11.82	1.84		13.66	11.82
	<u>11.82</u>	<u>1.84</u>	<u>-</u>	<u>13.66</u>	<u>11.82</u>
TOTAL	<u>44,698.84</u>	<u>4.64</u>	<u>-</u>	<u>44,703.48</u>	<u>44,698.84</u>
Depreciation and Amortization	As at 01/04/2014	Charge for the Year / Period	Adjustments in Opening Reserve*	As at 31/03/2015	As at 31/03/2014
(a) Tangible Assets					
Leasehold Improvements	1,801.10	705.32		2,506.42	1,801.11
Furniture and Fixtures	117.43	56.03		173.46	117.43
Plant and Equipment	903.71	386.65		1,290.36	903.71
Office Equipment	35.89	0.79	7.93	44.61	35.89
	<u>2,858.13</u>	<u>1,148.79</u>	<u>7.93</u>	<u>4,014.85</u>	<u>2,858.14</u>
(b) Intangible Assets					
Computer Software	7.66	0.36	2.03	10.05	7.66
	<u>7.66</u>	<u>0.36</u>	<u>2.03</u>	<u>10.05</u>	<u>7.66</u>
TOTAL	<u>2,865.79</u>	<u>1,149.15</u>	<u>9.96</u>	<u>4,024.90</u>	<u>2,865.80</u>
Net Book Value	As at 31/03/2015	As at 31/03/2014			
(a) Tangible Assets					
Leasehold Improvements	37,822.31	38,527.60			
Furniture and Fixtures	192.82	248.85			
Plant and Equipment	2,659.00	3,043.82			
Office Equipment	0.84	8.60			
	<u>40,674.97</u>	<u>41,828.87</u>			
(b) Intangible Assets					
Computer Software	3.61	4.17			
TOTAL	<u>3.61</u>	<u>4.17</u>			
	<u>40,678.58</u>	<u>41,833.04</u>			

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 on BOT basis.

*Adjustments in opening reserve represents the carrying amount of the respective fixed assets as at 1st April, 2014 where the remaining useful life is nil.



ORCHID HOTELS PUNE PRIVATE LIMITED
 (Formerly Known as B W Highway Star Private Limited)
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	As at 31-Mar-15	As at 31-Mar-14
Capital work in progress:		
Opening Balance	-	33.66
Add: Further incurred during the Year	-	-
Add: Expenses Pending Allocation added during the year	-	-
	-	33.66
Less: Capital work in progress allocated to Fixed Assets	-	33.66
Closing Balance	-	-
 6.0 DEFERRED TAX ASSETS		
	As at 31-Mar-15	As at 31-Mar-14
Deferred Tax Liability		
Related to Fixed Assets	3,499.35	2,815.84
 Deferred Tax Assets		
Disallowances under Income Tax Act, 1961	483.30	35.15
Carried forward Depreciation Allowance and Business Loss	5,945.37	5,415.59
TOTAL	6,428.67	5,450.74
 DEFERRED TAX ASSETS (NET)	2,929.32	2,634.90
 7.0 LONG TERM LOANS AND ADVANCES:		
(Unsecured, considered good)	As at 31-Mar-15	As at 31-Mar-14
Security Deposits	126.85	133.72
TOTAL	126.85	133.72
 8.0 INVENTORIES:		
(Valued at lower of cost and net realizable value)	As at 31-Mar-15	As at 31-Mar-14
Stock of Liquor, Provision, etc. (As per inventories valued and certified by the Management)	65.33	86.75
TOTAL	65.33	86.75
 9.0 TRADE RECEIVABLES:		
(Unsecured, considered good unless otherwise stated)	As at 31-Mar-15	As at 31-Mar-14
A. Outstanding for six months from the date they are due for payment	2.67	6.24
Less: Provision for doubtful debts	1.91	1.63
	0.76	4.61
B. Other receivables	89.89	123.20
	89.89	123.20
Total (A + B)	90.65	127.81



ORCHID HOTELS PUNE PRIVATE LIMITED
 (Formerly Known as B W Highway Star Private Limited)
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2015

10.0 CASH AND BANK BALANCES:

	As at 31-Mar-15	As at 31-Mar-14
Cash and cash equivalents:		
Balances with banks:		
On current accounts	82.96	35.14
Cash on hand	2.80	6.73
	85.76	41.87
Other Bank Balance		
Margin Money in Fixed deposit with Banks with Maturity of more than 12 Months	70.65	68.11
TOTAL	156.41	109.98

11.0 SHORT TERM LOANS AND ADVANCES:

	As at 31-Mar-15	As at 31-Mar-14
(Unsecured, considered good)		
Balances with Authorities	4.88	7.23
Payment of income tax (net of provision for taxation)	93.11	85.24
Prepaid Expenses	30.10	16.42
Loans to Employees	0.10	0.14
Supplier Advances	0.10	5.32
Dues from Holding Company	31.14	-
Security Deposits	1.50	-
Loans and Advances - Others (Includes advance Lease Rent to Directors Sports)	648.37	786.78
	809.30	901.13

12.0 OTHER CURRENT ASSETS

	As at 31-Mar-15	As at 31-Mar-14
Interest Receivable on Bank Fixed Deposits	3.28	2.79
TOTAL	3.28	2.79



ORCHID HOTELS PUNE PRIVATE LIMITED
(Formerly Known as B W Highway Star Private Limited)
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	01/04/2014 to 31/03/2015	01/04/2013 to 31/03/2014
13.0 REVENUE FROM OPERATIONS:		
HOTEL OPERATIONS:		
Sale of services:		
Rooms, Restaurants, Bar, Banquets, etc.:		
Rooms	1,218.75	1,028.47
Food and Beverages	1,331.56	1,107.81
Wines and Liquor	123.67	146.18
	(A) 2,673.98	2,282.46
Other Operating revenue:		
Telephones and Internet Services	0.51	0.34
Laundry Services	8.82	9.11
Leave and License Fees	24.02	21.35
Conference and Banqueting Services	83.26	108.34
Car Rental and Transportation	8.43	10.53
Royalty income received	6.08	-
Space Rent from Telecom Operators	12.70	11.04
Other services	3.09	3.29
	(B) 146.91	164.00
TOTAL	(A+B) 2,820.89	2,446.46
14.0 OTHER INCOME:		
Gain on Foreign Exchange	0.52	1.06
Miscellaneous Income	2.84	8.82
Commission Earned	0.70	0.99
Liabilities and Provisions written back	5.62	12.92
	9.68	23.79
Interest Earned:		
Interest Earned on Bank Fixed Deposit	8.52	10.95
Interest on Income Tax Refund	2.12	-
	10.64	10.95
TOTAL	20.32	34.74
15.0 COST OF FOOD AND BEVERAGE CONSUMED:		
Opening Stock	36.34	17.29
Add: Purchases	414.06	473.76
	450.40	491.05
Less: Closing Stock	23.86	36.34
TOTAL	426.54	454.71
16.0 EMPLOYEE BENEFITS EXPENSE:		
Salaries & Wages	482.82	450.95
Contribution to Provident and other Funds	29.25	20.82
Provision for Gratuity	-	7.14
Provision for Leave Encashment	1.00	0.47
Staff Welfare Expenses	64.13	77.81
TOTAL	577.20	557.19



ORCHID HOTELS PUNE PRIVATE LIMITED
(Formerly Known as B W Highway Star Private Limited)
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

17.0 FINANCE COST:	01/04/2014 to 31/03/2015	01/04/2013 to 31/03/2014
Interest to bank (Note 17.1 below)	-	1,435.09
Other Borrowing Cost	0.48	3.56
TOTAL	0.48	1,438.65

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:	01/04/2014 to 31/03/2015	01/04/2013 to 31/03/2014
Operating Expenses		
Electricity Charges	407.08	408.44
Gas and Fuel	97.50	100.24
Lease Premium to Director of Sports (Note 18.1 below)	259.70	189.58
Licence, Rates and Taxes (Note 18.2 below)	217.51	194.07
Expenses on Apartments and Board	59.03	57.14
Sanitation and Laundry (net)	30.73	24.68
Repairs to Building	15.30	19.39
Repairs to Plant and Machinery	36.51	37.54
Repairs to Others	16.85	4.29
Replacements of operating supplies	19.58	7.61
Hire Charges	16.26	20.29
Water Charges	29.90	29.41
	1,205.95	1,092.68
Sales & Marketing Expenses		
Advertisement Charges	6.58	6.68
Sales Promotion and Marketing Expenses	8.11	7.59
Commission, Rebates, Short Recoveries, etc.	48.84	41.41
Management Consultancy fees and Royalty	86.43	75.46
Band and Music Expenses	11.64	17.16
	161.60	148.30
Admin & General Expenses		
Insurance	12.05	12.94
Travelling and Conveyance	4.22	4.54
Printing and Stationery	9.97	11.37
Telecommunication Expenses	8.26	8.88
Vehicle expenses	3.74	7.19
Legal, Professional and Consultancy Charges	21.25	12.25
Auditors Remuneration	0.89	0.91
ESIC Assessment Dues	-	1.72
Luxury Tax Assessment Dues	0.12	-
Provision for Bad/Doubtful debts	0.27	1.63
Miscellaneous Expenses	10.79	26.17
	71.56	87.60
TOTAL	1,439.11	1,328.58

18.1 The Company has filed arbitration petition in Pune Court requiring reduction in annual lease premium payable to Director of Sports and granting of payment of the said premium in monthly installments instead of advance payment. The Company has also required relief from furnishing additional bank guarantee (BG) and restraining the authorities from invoking the existing BGs. Further the Company has filed a case in the Bombay High Court invoking section 11 of Arbitration and Conciliation Act 1996 for the dispute on lease premium, bank guarantee, property tax and other matters. Adjustment, if any in the books will be made on disposal of the cases.

18.2 The Pune Municipal Corporation (PMC) has raised demand for property tax of ₹.122.21 lakhs (Prev. Year ₹ 147.43 lakhs) for the year 2014-2015 in respect of the Company's hotel property at Balewadi, Pune. PMC has also revised the Annual Rateable Value (ARV) retrospectively from 1.10.2008. The Company has disputed the said action and demand by filing a suit in appropriate court, which is pending. The Company has made provision for property tax on the basis of invoices raised by PMC and adjustment, if any will be made on disposal of the case. The Company has also challenged its responsibility of payment of various taxes during the impelmentation period.



ORCHID HOTELS PUNE PRIVATE LIMITED
(Formerly Known as B W Highway Star Private Limited)
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2015

19.0 PAYMENT TO AUDITORS AS:

	01/04/2014 to 31/03/2015	01/04/2013 to 31/03/2014
Auditors Remuneration		
Statutory Audit Fees	0.70	0.80
Taxation Matters	0.10	0.01
Service Tax (Net of input credit taken)	0.09	0.10
TOTAL	0.89	0.91

20.0 EXPENDITURE IN FOREIGN CURRENCY:

	2014-2015	2013-2014
Commission paid on Room Bookings	10.88	1.38
TOTAL	10.88	1.38

21.0 EARNINGS PER SHARE (EPS)

	2014-2015	2013-14
Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	(456.85)	(1,549.26)
Weighted Average number of equity shares used as denominator for calculating EPS	11,764,706	11,764,706
Basic and Diluted Earnings Per Shares	(3.88)	(13.17)
Face Value per equity share	10.00	10.00

22.0 EARNINGS IN FOREIGN EXCHANGE

	2014-2015	2013-14
For Hotel Services rendered	121.80	12.90

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
Kamats Development Pvt. Ltd.

(c) Key Management Personnel

Mr. Vikram V. Kamat Managing Director



ORCHID HOTELS PUNE PRIVATE LIMITED
(Formerly Known as B W Highway Star Private Limited)
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

(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, 2015:

(₹ in Lakhs)				
Sr. No.	Nature of transactions	Holding Company	Associates	TOTAL
1	Management Consultancy Fees Incurred	95.34	NIL	95.34
		(83.18)	(NIL)	(83.18)
2	Interest on Long term loans taken*	-	NIL	-
		(1,843.10)	(NIL)	(1,843.10)
3	Advances received on Capital/Current Account	NIL	NIL	NIL
		NIL	(NIL)	-
4	Deposits received	3.00	NIL	3.00
		(NIL)	(NIL)	(NIL)
5	Loans taken during the year	NIL	(NIL)	(NIL)
		(NIL)	(404.00)	(404.00)
6	Advances repaid during the year	62.61	7.18	69.79
		(7.90)	(25.00)	(32.90)
7	Deposits Refunded during the year	3	NIL	3
		(NIL)	(NIL)	(NIL)
8	Advances given during the year	NIL	NIL	NIL
		(NIL)	(634.44)	(NIL)
9	Repayment of Loans	-	369.00	369.00
		(2.59)	(35.29)	(37.88)
10	Balance outstanding at the year end:			
	Accounts Payable (Net)	23,813.42	-	23,813.42
		(23,875.94)	(375.90)	(24,251.84)
11	Project Advance	NIL	634.44	NIL
		(NIL)	(634.44)	(NIL)
12	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)
13	Corporate Guarantee Given to bankers for Credit Facility availed by Kamat Hotels (India) Limited.	24,755.00	NIL	NIL
		(24,755.00)	(NIL)	(NIL)

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

** Figures in brackets are for previous year.

(e) Significant Related party Transactions

Advances repaid during the year includes Rs. 62.61 lakhs payment of management fees to Kamat Hotels (India) Limited and Rs. 7.18 lakhs paid to Plaza Hotels Pvt. Ltd towards payment of overdue interest.

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

Repayment of loans during the year includes Rs.304.00 lakhs to Plaza Hotels Pvt Limited and Rs.65.00 lakhs to Kamats Development Pvt. Ltd.

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

Accounts Payable includes amount of Rs 23,813.42 lakhs due to Kamat Hotels (India) Ltd.

Company has given Corporate Guarantee to Bankers for Rs.24,755.00 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 Rs. Nil (Prev. year Rs Nil) (Net of advances)

b) Open import licenses Rs. 1,095.93 lakhs (Prev. Year Rs. 1,008.74 lakhs)

c) Counter Guarantees issued by the Company to secure Bank Guarantees Rs. 1,044.33 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 gov.of Maharashtra.

25.0 VALUE OF IMPORTS ON CIF BASIS

	2014-15	2013-14
Capital Goods	NIL	NIL
TOTAL	NIL	NIL

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:

	2014-15	2013-14
Employer's Contribution to Provident and Pension Fund Rs	29.25	20.82

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



ORCHID HOTELS PUNE PRIVATE LIMITED
(Formerly Known as B W Highway Star Private Limited)
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

(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.

(₹ in Lakhs)

Particulars	2014-15		2013-14	
	Gratuity (Unfunded)	Leave Encashment (Unfunded)	Gratuity (Unfunded)	Leave Encashment (Unfunded)
a) Change in Present Value of Obligation				
Current Service Cost	5.37	2.50	3.40	5.09
Interest Cost	1.11	0.13	0.65	0.57
Actuarial (Gain) / Loss on Obligation	(8.72)	10.27	3.10	(1.32)
Benefits Paid	-	12.68	-	4.39
Present value of the obligation at the end of the year	11.01	9.59	14.25	9.37
b) Amounts Recognised in the Balance Sheet:				
Present value of Obligation at the end of the year	11.01	9.59	14.25	9.37
Fair value of Plan Assets at the end of the year	-	-	-	-
Net Obligation at the end of the year	11.01	9.59	14.25	9.37
c) Amounts Recognised in the Statement of Profit and Loss:				
Current Service Cost	5.37	2.50	3.40	5.09
Interest cost on Obligation	1.11	0.13	0.65	0.57
Expected return on Plan Assets	-	-	-	-
Net Actuarial (Gain) / Loss recognised in the year	(8.72)	10.27	3.10	(1.32)
Net Cost Included in Personnel Expenses	(2.24)	12.90	7.14	4.34
d) Actuarial Assumptions				
i) Discount Rate	7.80%	7.74%	9.10%	9.10%
ii) Expected Rate of Return on Plan Assets	-	-	-	-
iii) Salary Escalation Rate	7.00%	7.00%	7.00%	7.00%
iv) Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) 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.

As per our report of even date
For J P Chaturvedi & Co.
Chartered Accountants
(Registration Number: 130274W)

J P Chaturvedi
Proprietor
Membership No. 031373

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

Vikram V. Kamat
Managing Director
(DIN: 00556284)

Dinkar D. Jadhav
Director
(DIN: 01809881)

S B Bauskar

Vidhi Jobanputra
Company Secretary

Swati Bauskar
Chief Financial Officer

Place: Mumbai
Date: 23rd May, 2015.

