

31st March, 2016

ORCHID HOTELS PUNE PRIVATE LIMITED

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

9th ANNUAL REPORT

STATEMENT OF AUDITED ACCOUNTS

FOR THE YEAR ENDED

31ST MARCH 2016

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 (Eas), Mumbai - 400 099.
Tel.: 2616 4000, Fax : 2616 4115, Email id. cs@orchidvitshotels.com

BOARD'S REPORT

To,
The Members,

We have pleasure in presenting the 9th Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2016.

FINANCIAL SUMMARY:

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

Particulars	(Rupees in Lakhs)	
	Year ended March 31, 2016	Year ended March 31, 2015
Total Revenue	3,293.36	2,841.21
Profit/(Loss) Before Finance Cost, Depreciation & Taxation	35.87	398.36
(Less): Finance Cost	0.38	0.48
(Less): Depreciation	1,149.72	1,149.15
Profit/(Loss) Before Tax	(1,114.23)	(751.27)
Tax Expense:		
Current tax	NIL	NIL
Deferred Tax	2,929.32	(294.42)
Profit/(Loss) after tax	(4,043.55)	(456.85)
Amount proposed to be carried to reserves	-	-
Profit/(Loss) brought forward from previous year	(6,759.77)	(6292.96)
Add/(Less): Depreciation adjusted against Opening Reserve	-	(9.96)
Balance carried over to Balance Sheet	(10,803.32)	(6759.77)

STATE OF COMPANY'S AFFAIRS:

The total revenue of the Company for the year was recorded at Rs. 3293.36 lakhs as against Rs. 2841.21 lakhs in the previous year. The Company has registered loss after tax of Rs. 4043.55 lakhs as compared to loss of Rs. 456.85 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 53%, previous year was 51%. The Average Room Rate during the year under review, for the hotel units of the Company was Rs. 2,264/- as compared to Rs. 2,148/- in the previous year.

Due to the dispute of reference on the issue of flouting of Terms and Conditions of the Concession Agreement by the Director of Sports, an appeal u/s of 9 of Arbitration & Conciliations Act 1996 is preferred before District Court, Pune by the company. And Hon'ble court was pleased to pass an interim order staying invocation of Bank

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

Guarantee by the Director of Sports. And the stay is extended till 8th June, 2016.

Also as provided in the aforesaid Agreement, an appeal u/s 11 of Arbitration & Conciliations Act 1996 was filed before Bombay High Court for appointment of Arbitrator. As directed by the court, both the parties have nominated their own Arbitrator and informed the court. The next date is 17th June, 2016

Our appeal before Small Causes Court, Pune against Pune Municipal Corporation is pending for our disputing allegedly fixing of Rateable Value(property tax) by the Pune Corporation and the next date in the matter is 7th June, 2016

The company has appointed an Advocate (B. S. Bhogal) who is making an interim application before the court on 7th June, 2016 for referring the matter back to Pune Municipal corporation on the issue of arbitrary decision while finalizing the Rateable Value by the Corporation

As requested by the company, Pune Municipal Commissioner had instructed property tax department to consider our pleadings by giving hearings with one of the issue being to recover property taxes from Sports Authority as per Concession Agreement

The Company had saved Custom Duty worth Rs. 4.84 Crores on import of Capital Goods under EPCG Scheme with Export Obligation of Rs. 38.75 Crores. Non Achievement of Export Obligation will cause payment of duty with interest aggregating to Rs. 14.14 Crores. The Company has issued Bank Guarantee of Rs. 6.90 Crores and bonds to custom authorities for the same.

Entertainment tax of Rs. 1.50 Crores demanded by Commissioner, Entertainment Tax Department for New Year Event (31.12.2012).

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, 2016.

FINANCE:

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.

SHARE CAPITAL:

During the year under review, no shares with differential voting rights, sweat equity shares or employees stock options were issued by the Company.

During the year under review, there was no change in the Authorised or Paid up Share Capital of the Company.

MATERIAL CHANGES, AND COMMITMENT:

There has been no material changes and commitment affecting the financial position of the Company during the financial year 2015-16.

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

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Dr. Vithal V. Kamat retires by rotation and being eligible offers himself for re-appointment at the ensuing 9th Annual General Meeting. The Directors recommend his re-appointment.

Mr. Samir Chaturvedi resigned from the office of director of the Company with effect from 11th April, 2016. The Board of Directors places on record its sincere appreciation for the valuable support and guidance given by the outgoing director during the tenure of his office.

Mr. Ramnath P. Sarang was appointed as an Additional Director on the Board of the Company w.e.f. 21st May, 2016. The term of Mr. Ramnath P. Sarang as an Additional Director expires at the date of ensuing 9th Annual General Meeting of the company. The Company has received a notice in writing along with requisite security deposit under the provisions of Section 160 of the Companies Act, 2013 from a member proposing the candidature of Mr. Ramnath P. Sarang as an Independent Director of the Company. The notice convening the 9th Annual General Meeting contains necessary resolution for his appointment as a director of the Company.

Ms. Gayatri Devadiga was appointed as an Independent Director of the Company at the 8th Annual General Meeting to hold the office as such director upto 31st March, 2020.

During the year under review, Ms. Vidhi R. Jobanputra resigned from the office of Company Secretary and Ms. Swati Bauskar resigned from the office of Chief Financial Officer of the Company with effect from 3rd October, 2015 and 10th October, 2015 respectively.

Ms. Shruti Shrivastava and Ms. Swati Bauskar are appointed as the Company Secretary and Chief Financial Officer respectively w.e.f. 21st May, 2016.

DECLARATION BY INDEPENDENT DIRECTOR:

Mr. Ramnath P. Sarang and Ms. Gayatri Devadiga, Independent Directors of the Company have given declaration as required under Section 149 (7) of the Companies Act, 2013 to the effect that they meet the criteria of independence as provided in Section 149 (6) of the Companies Act, 2013.

EXTRACT OF THE ANNUAL RETURN:

An extract of the annual return in form MGT-9 is enclosed in *Annexure I*.

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@orchidvithotels.com

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

During the year under review, Four (4) meetings of the Board of Directors were held.

DIRECTORS' RESPONSIBILITY STATEMENT:

As required by Section 134 (5) of the Companies Act, 2013 the Directors hereby state that:

1. in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures.
2. selected accounting policies were applied consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2016 and of the loss of the Company for the financial year ended on that date.
3. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. annual accounts have been prepared on a going concern basis and;
5. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

NOMINATION AND REMUNERATION POLICY

In terms of Section 178 (3) of the Companies Act, 2013, a policy on Nomination and Remuneration of Directors and Senior Management Employees including, inter alia, criteria for determining qualifications, positive attributes and independence of directors was formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at their respective meetings held on 10th April, 2014. The said policy is given as *Annexure II*.

PARTICULARS OF LOANS / GUARANTEES GIVEN OR INVESTMENTS MADE:

The particulars of Loan / Guarantees given and Investment made by the Company under Section 186 of the Companies Act, 2013 are given as under:

	Opening Balance (Amount in Rs.)	During the year	Closing Balance (Amount in Rs.)
Loans Given	NIL	NIL	NIL
Guarantee Given	2,47,55,00,000*	NIL	2,47,55,00,000*
Security Provided	NIL	NIL	NIL
Investment Made	NIL	NIL	NIL

* Corporate Guarantee given by the Company to banks/financial institutions for various Credit Facilities availed by Kamat Hotels (India) Limited, the holding Company.

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

During the year under review, no new Related Party Transactions under Section 188 of the Companies Act, 2013 were entered into by your Company. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) (h) of the Companies Act, 2013 in Form AOC 2 is not applicable.

DEPOSITS:

- a. Accepted during the year: The Company has not accepted any deposits during the year under report.
- b. Remained unclaimed or unpaid as at the end of the year: There was no deposit remaining unpaid or unclaimed at the end of the year.
- c. Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved-
 - i. at the beginning of the year: NIL
 - ii. maximum during the year: NIL
 - iii. at the end of the year: NIL
- d. the details of deposits which are not in compliance with the requirements of Chapter V of the Act: NIL

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

A) CONSERVATION OF ENERGY:

- (i) the steps taken or impact on conservation of energy: The Company constantly takes necessary energy conservation measures, at the operative hotels of the Company.
- (ii) the steps taken by the company for utilising alternate sources of energy: the Company has during the year under review, purchased Windmill power under the Open Access Regulation for Distribution - 2005 dated 21st June, 2005 issued by Maharashtra Electricity Regulatory Commission (MERC). There is substantial savings in Electricity costs. Also, during the year under review, the Company has planned to replace all the existing bulbs/tubelights with LED bulbs, which will help the Company to reduce electricity costs.
- (iii) the capital investment on energy conservation equipments: N.A.

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

(B) TECHNOLOGY ABSORPTION:

- (i) the efforts made towards technology absorption: The activities of Company at present do not involve technology absorption and research and development.
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution: NIL
- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - NIL
 - (a) the details of technology imported;
 - (b) the year of import;
 - (c) whether the technology been fully absorbed;
 - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and
- (iv) the expenditure incurred on Research and Development: NIL

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign exchange earnings and outgo:

Earnings	:	Rs. 135.56 Lakhs (Previous year: 121.80 Lakhs)
Utilisation (including import of capital goods):		Rs. 16.20 Lakhs (Previous year: 10.88 Lakhs)

AUDIT COMMITTEE:

In terms of Section 177 (8) of the Companies Act, 2013, the Board of Directors of the Company has, on 10th April, 2014 constituted an Audit Committee.

During the year under review, Mr. Samir Chaturvedi (Independent Director- Chairman of the Committee) resigned from the Office of Director of the Company. The Company appointed Mr. Ramnath P. Sarang as Additional Independent Director and was inducted as Member of Audit Committee w.e.f. 21st May, 2016. The current composition of the Committee comprises of, Mr. Ramnath P. Sarang (Independent Director- Chairman), Ms. Gayatri Devadiga (Independent Director – Member), and Mr. Vikram V. Kamat (Managing Director – Member).

There have been no instances during the year under review, where the Board has not accepted the recommendations made by the Audit Committee.

VIGIL MECHANISM:

In terms of Section 177(9) of the Companies Act, 2013, the Company has established a Vigil Mechanism for directors and employees to report genuine concerns. The vigil mechanism provides for adequate safeguard against victimization of person who use Vigil Mechanism and also provides for direct access to the Chairman of the Audit Committee in appropriate and exceptional cases.

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

RISK MANAGEMENT POLICY:

A quarterly review report on compliance with Risk Management policy of the Company is placed before the Audit Committee of the Company.

No element of risk, threatening the existence of the Company was identified during the year.

CORPORATE SOCIAL RESPONSIBILITY POLICY:

Not Applicable

INTERNAL FINANCIAL CONTROLS:

The Company has adequate internal control systems relating to Purchase, Expense controls, Sales Recording and Audit and Internal Audit. A report on said systems is quarterly placed before the Audit Committee of the Company for its perusal and to determine its adequacy. Such control systems are adequate and commensurate with the size and nature of the business.

THE CHANGE IN THE NATURE OF BUSINESS, IF ANY:

The Company continues to be in the Hospitality Business. During the year under review, there was no change in the nature of business of the company.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:

During the period under review, no order had been passed by any regulator/ court or tribunal which has an effect on the going concern status of the company and its operations.

IMPLEMENTATION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has constituted Internal Complaints Committee at the units of the Company under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. No instance of Sexual Harassment of Women under the said Act has been reported at any unit of the Company.

STATUTORY AUDITORS:

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

EXPLANATION AND COMMENTS BY THE BOARD ON MATTER OF EMPHASIS MADE IN THE AUDITORS' REPORTS:

With regard to matter of emphasis no. 1 to 3 in the Auditor's report, the same are self explanatory and do not call for further explanation.

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


CORPORATE GUARANTEE:

Some of the lenders have issued demand notices in the earlier year to the Company in respect of Corporate Guarantee extended by the Company on behalf of Kamat Hotels (India) Limited. The Company has requested the borrowers to take appropriate steps in the matter. The Company is dealing with the matter as per legal advice.

ACKNOWLEDGEMENTS

The Directors place on record their appreciation for the sincere and whole hearted co-operation extended by all the 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 for their continued support and confidence in the Company and its management.

For and on 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)

Place: Mumbai
Date: 21st May, 2016

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

Annexure I

Form No. MGT-9 EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN:- U55101MH2007PTC170188
- ii) Registration Date :- 21/04/2007
- iii) Name of the Company :- Orchid Hotels Pune Private Limited
- iv) Category / Sub-Category of the Company :- Company Limited by Shares / Indian Non Government Company
- v) Address of the Registered office and contact details :- Ground Floor, KHIL House, 70 - C, Nehru Road, Near Santacruz Airport, Vile Parle (East), Mumbai - 400099
- vi) Whether listed company:- Yes / No
- vii) Name, Address and Contact details of Registrar and Transfer Agent: N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Hotels and Restaurants	99633102	99%
--	--	--	--
--	--	--	--

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr. No	Name and Address of Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares	Applicable Section
1.	Kamat Hotels (India) Limited Address: 70-C, Nehru Road, Near Santacruz Airport, Vile Parle - East, Mumbai - 400099	L55101MH1986 PLC039307	Holding Company	100%	2(46) of the Companies Act, 2013

ORCHID HOTELS PUNE PRIVATE LIMITED

CIN No. U55101MH2007PTC170188

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

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

i. Individual Shareholders holding Nominal Share Capital upto Rs. 1 Lakh	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
ii. Individual Shareholders holding Nominal Share Capital in excess of Rs. 1 Lakh	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c. Others (Specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c (i) Clearing Member	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c (ii) Non Resident Indians (Repat)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c (iii) Non Resident Indians (Non Repat)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c (iv) Foreign Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub - Total (B) (2):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total Public Shareholding (B)=(B)(1)+(B)(2)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	1,17,64,706	NIL	1,17,64,706	100%	1,17,64,706	NIL	1,17,64,706	100%	NIL

ORCHID HOTELS PUNE PRIVATE LIMITED

CIN No. U55101MH2007PTC170188

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

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

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in share holding during the year
1	Kamat Hotels (India) Ltd	1,17,64,703	100.00%	78.99%	1,17,64,703	100%	78.99%	NIL
2	Dr. Vithal V. Kamat (Beneficial owner: Kamat Hotels (India) Ltd)	1	0.00%	NIL	1	0.00%	NIL	NIL
3	Mr. Babu A. Devadiga (Beneficial owner: Kamat Hotels (India) Ltd)	1	0.00%	NIL	1	0.00%	NIL	NIL
4	Mr. Narendra D. Pai (Beneficial owner: Kamat Hotels (India) Ltd)	1	0.00%	NIL	1	0.00%	NIL	NIL

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

iii) **Change in Promoters' Shareholding (please specify, if there is no change) :** There is no change

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	N.A.	N.A.	N.A.	N.A.
	At the End of the year	N.A.	N.A.	N.A.	N.A.

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

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): Not Applicable

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
	At the End of the year (or on the date of separation, if separated during the 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

(v) Shareholding of Directors and Key Managerial Personnel:

No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year Dr. Vithal V. Kamat (Beneficial owner: Kamat Hotels (India) Ltd)	1	0.00%	1	0.00%
	Date wise Increase / Decrease in Share holding during the year , specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	N.A.	N.A.		
1	At the End of the year Dr. Vithal V. Kamat (Beneficial owner: Kamat Hotels (India) Ltd)	1	0.00%	1	0.00%

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@orchidvithotels.com

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,75,73,09,266.00	1,96,46,39,994.59	NIL	3,72,19,49,260.59
Addition	NIL	NIL	NIL	NIL
Reduction	16,18,702.00	NIL	NIL	16,18,702.00
ii) Interest due but not paid	14,18,68,291.00	41,98,16,122.00	NIL	56,16,84,413.00
Addition	NIL	NIL	NIL	NIL
Reduction	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Addition	NIL	NIL	NIL	NIL
Reduction	NIL	NIL	NIL	NIL
Change in Indebtedness during the Financial Year				
Addition	NIL	NIL	NIL	NIL
Reduction	16,18,702.00	NIL	NIL	16,18,702.00
Indebtedness at the end of the financial year				
i) Principal Amount	1,75,56,90,564.00	1,96,46,39,994.59	NIL	3,72,03,30,558.59
ii) Interest due but not paid	14,18,68,291.00	41,98,16,122.00	NIL	56,16,84,413.00
iii) Interest accrued but not due	NIL	NIL	NIL	NIL

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: **Not Applicable**

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961					
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961					
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961					
2	Stock Option					
3	Sweat Equity					
4	Commission - as % of Profit - other, specify					
5	Others, please specify					
	Total (A)					
	Ceiling as per Act					

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

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD /MANAGER /WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
	Gross salary	N.A.	1,64,870*	2,37,097*	4,01,967*
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	N.A.	1,64,870*	2,37,097*	4,01,967*
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	N.A.	--	--	--
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		--	--	--
	Stock Option	N.A.	--	--	--
	Sweat Equity	N.A.	--	--	--
	Commission - as % of Profit - other, specify -	N.A.	--	--	--
	Others, please specify	N.A.	--	--	--
	Total	N.A.	1,64,870*	2,37,097*	4,01,967*

*comprises of salaries of past Company Secretary as well as CFO.

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

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES against the Company, Directors and other officers in default under the Companies Act, 2013: NONE

For and on 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)

Place: Mumbai
Date: 21st May, 2016

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

Annexure II

NOMINATION AND REMUNERATION POLICY

Introduction:

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee and approved by the Board of Directors.

Objective and purpose of the Policy:

The objective and purpose of this policy are:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the hotel industry.
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

In the context of the aforesaid criteria the following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on 10th April, 2014.

Effective Date:

This policy shall be effective from 10th April, 2014.

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

Constitution of the Nomination and Remuneration Committee:

The Board had at its meeting held on 10th April, 2014 constituted a Nomination and Remuneration Committee. The Nomination and Remuneration Committee comprises of the following Directors:

Sr. No.	Name	Position
1.	Mr. Dinkar D. Jadhav	Chairman (Nominee Director of Holding Company)
2.	Mr. Vikram V. Kamat	Member (Managing Director)
3.	Ms. Gayatri Devadiga	Member (Independent Non – Executive Director)
4.	Mr. Ramnath Sarang	Member (Independent Non – Executive Director)

The Board has the power to reconstitute the Committee consistent with the Company's policy and applicable statutory requirement.

Definitions:

- **Board** means Board of Directors of the Company.
- **Directors** means Directors of the Company.
- **Committee** means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- **Company** means Orchid Hotels Pune Private Limited.
- **Independent Director** means a director referred to in Section 149 (6) of the Companies Act, 2013.
- **Key Managerial Personnel (KMP)** means-
 - (i) Executive Chairman and / or Managing Director;
 - (ii) Whole-time Director;
 - (iii) Chief Financial Officer;
 - (iv) Company Secretary;
 - (v) Such other officer as may be prescribed under the applicable statutory provisions / regulations.
- **Senior Management** means personnel of the Company occupying the position of Chief Executive Officer (CEO) of any unit / division or Vice President including Vice President of any unit / division of the Company.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

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

Applicability

The Policy is applicable to

- Directors (Executive and Non Executive)
- Key Managerial Personnel
- Senior Management Personnel

General

- This Policy is divided in three parts: Part – A covers the matters to be dealt with and recommended by the Committee to the Board, Part – B covers the appointment and nomination and Part – C covers remuneration and perquisites etc.
- The key features of this Company's policy shall be included in the Board's Report.

PART – A

MATTERS TO BE DEALT WITH, PERUSED AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

PART – B

POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

- Appointment criteria and qualifications:

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

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

3. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

- **Term / Tenure:**

- 1. **Managing Director/Whole-time Director:**

- The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

- 2. **Independent Director:**

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

- **Evaluation:**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

- **Removal:**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

- **Retirement:**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the

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

Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

PART – C

POLICY RELATING TO THE REMUNERATION FOR THE WHOLE-TIME DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL

- **General:**

1. The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
2. The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013, and the rules made thereunder.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director. Increments will be effective from 1st October in respect of a Whole-time Director and 1st April in respect of other employees of the Company.
4. Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

- **Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:**

1. **Fixed pay:**

The Whole-time Director / KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The break up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

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

2. Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

3. Provisions for excess remuneration:

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

• Remuneration to Non- Executive / Independent Director:

1. Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made thereunder.

2. Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

3. Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

4. Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

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



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 of Balance Sheet as at 31st March, 2016; the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

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 standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the 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 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, 2016, and its loss and its cash flows for the year on that date.

Matter of Emphasis

Attention is invited to:

1. Note 19.1 No interest has been provided on bank loan from 1st October, 2013 onwards, which has been become NPA and subsequently assigned to ARC.
2. Note 26(e) ARCIL and ICICI Bank have jointly filed an application before DRT during the year claiming recovery of Rs. 252.38 Crores, which has not been accepted by the Company and the matter is pending before DRT.
3. Note 29 to the financial statements, which indicate that the Company's accumulated losses, are in excess of its paid up capital and reserves & surplus. These conditions indicate the existence of a material uncertainty, which may cast significant doubt about the Company's ability to continue as a going concern.

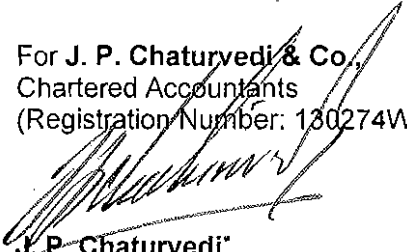
Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act we give in the **Annexure – "A"**, 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:
 - (i) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - (iii) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report, are in agreement with the books of account.
 - (iv) 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.
 - (v) On the basis of written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Sub-Section (2) of Section 164 of the Act.
 - (vi) Our report on adequacy of internal financial controls system over financial reporting of the Company and the operating effectiveness of such controls is given in **Annexure "B"**.
 - (vii) 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 26 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 has been no delay in transferring amounts, 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: 21st May, 2016

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

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in our report of even date to the members of Orchid Hotels Pune Private Limited for the year ended 31st March, 2016. 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.
(c) According to the records of the Company examined by us and the information and explanations given to us, the title deeds of immovable properties are held in the name of the company, in the capacity of concessionaire.
2. In our opinion, physical verification of inventories has been conducted by the management at reasonable intervals. The discrepancies noticed on such verification by the management, 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, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans given, investments made, guarantees given and securities provided.
5. According to the information and explanations given to us, the Company has not accepted any deposit during the year and accordingly the question of complying with section 73 and 76 of the Companies Act 2013 does not arise. 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, 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 is no non-deposit with appropriate authorities of disputed dues of sales-tax, service tax, customs duty, excise duty or cess.

8 In our opinion and according to the information and explanations given to us, the Company has defaulted in payment of interest and payment of principal to a financial institution and banks during the year under report as under:

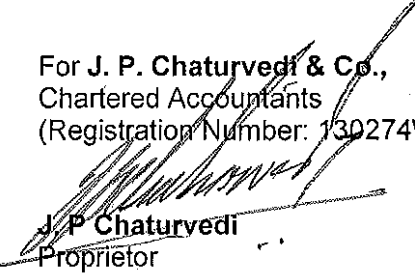
S.No.	Name of the lender	Amount of default - Rupees in lakhs	Period of delay	Remarks
1	ICICI Bank /ARCIL	17,556.91	0 to 1005 days	Principal
	ICICI Bank /ARCIL	1,049.95	0-90 days	Interest
		2,971.92	91-365 days	Interest
		6136.81	366 to 1067 days	Interest

The Company has not borrowed any money from the Government or by way of debentures.

- 9 According to the information and explanations given to us, (i) no new term loans were raised by the Company during the year under report (ii) the Company has not raised money by way of initial public offer or further public offer (including debt instruments).
- 10 During the course of our examination of the books of account and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instances of fraud by the Company or any fraud on the Company by its officers and employees was noticed or reported during the year, nor have we been informed of any such instance by the management.
- 11 According to the records of the Company examined by us and the information and explanations given to us, there is no managerial remuneration has been paid / provided by the Company during the year under review.
- 12 The Company is not a Nidhi Company hence our comments as required under clause 3 (xii) of the Order is not applicable to the Company.
- 13 In our opinion and according to the records of the Company examined by us and the information and explanations given to us, the transactions entered into by the Company during the year with related parties are in compliance with the provisions of Section 177 and 188 of the Act, where applicable and the details thereof have been disclosed in the Financial Statements etc. as required by the accounting standards.
- 14 According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

- 15 According to the records of the Company examined by us and the information and explanations given to us, the Company has not entered into any non-cash transactions referred to in section 192 of the Act with directors of the Company or persons connected with them during the year.
- 16 According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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


J. P. Chaturvedi
Proprietor
Membership No.: 031373

Place: Mumbai
Dated: 21st May, 2016

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

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' in our report of even date to the members of **Orchid Hotels Pune Private Limited** for the year ended 31st March, 2016. We report that:

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Orchid Hotels Pune Private Limited ("the Company") as of 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditure of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

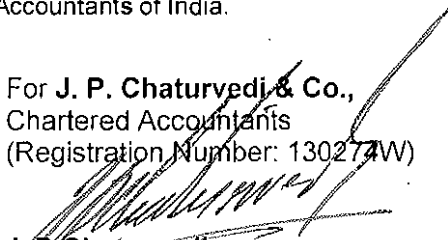
Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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


J. P. Chaturvedi
Proprietor
Membership No.: 031373

Place: Mumbai
Dated: 21st May, 2016

ORCHID HOTELS PUNE PRIVATE LIMITED

(Formerly known as B W Highway Star Private Limited)

CIN No.U55101MH2007PTC170188

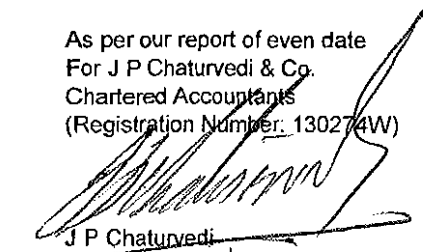
BALANCE SHEET AS AT 31ST MARCH, 2016

	Note No.	As at 31-Mar-2016	(Rupees) As at 31-Mar-2015
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	2.1	117,647,060	117,647,060
Reserves and Surplus	2.2	(442,368,898)	(38,014,024)
		<u>(324,721,838)</u>	<u>79,633,036</u>
NON-CURRENT LIABILITIES			
Long Term Borrowings	3.1	1,964,639,995	1,964,639,995
Other Long Term Liabilities	3.2	4,210,000	1,951,264
Long Term Provisions	3.3	4,229,643	1,901,600
		<u>1,973,079,638</u>	<u>1,968,492,859</u>
CURRENT LIABILITIES			
Trade Payables	4.1	29,607,109	28,285,288
Other Current Liabilities	4.2	2,478,257,631	2,409,302,421
Short Term Provisions	4.3	419,375	258,820
		<u>2,508,284,115</u>	<u>2,437,846,529</u>
TOTAL		<u><u>4,156,641,915</u></u>	<u><u>4,485,972,424</u></u>
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets:			
Tangible Assets	5.0	3,955,274,293	4,067,497,287
Intangible Assets	5.0	317,545	360,716
Deferred Tax Assets (Net)	6.0	-	292,932,376
Non Current Investments	7.0	10,000	-
Long Term Loans and Advances	8.0	5,059,977	12,684,700
		<u>3,960,661,815</u>	<u>4,373,475,079</u>
CURRENT ASSETS			
Inventories	9.0	9,900,230	6,533,168
Trade Receivables	10.0	15,860,222	9,064,921
Cash and Bank Balances	11.0	83,634,398	15,641,555
Short Term Loans and Advances	12.0	83,557,908	80,929,774
Other Current Asstes	13.0	3,027,342	327,927
		<u>195,980,100</u>	<u>112,497,345</u>
TOTAL		<u><u>4,156,641,915</u></u>	<u><u>4,485,972,424</u></u>

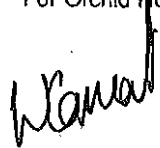
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS.

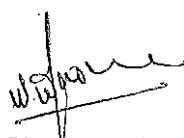
1 to 30

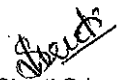
As per our report of even date
For J P Chaturvedi & Co.
Chartered Accountants
(Registration Number: 130274W)

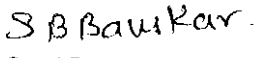

J P Chaturvedi
Proprietor
Membership No. 031373

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)


Shruti Srivastava
Company Secretary


Swati Bauskar
Chief Financial Officer

Place: Mumbai
Date : 21st May 2016

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 2016

	Note No.	01-04-2015 to 31-03-2016	(Rupees) 01-04-2014 to 31-03-2015
INCOME			
Revenue from Hotel Operations	14.0	319,521,197	282,088,589
Other Income	15.0	9,815,228	2,032,226
Total Revenue		329,336,425	284,120,815
EXPENDITURE			
Cost of Food and Beverages consumed	16.0	45,602,241	42,653,764
Employee Benefit Expenses	17.0	71,110,331	57,720,203
Other Expenses	18.0	209,036,785	143,910,627
Total Expenses		325,749,357	244,284,594
Profit/(Loss) before Finance Cost, Depreciation and Tax		3,587,068	39,836,221
Finance Costs	19.0	37,764	48,444
Depreciation and Amortization Expense	5.0	114,971,803	114,914,886
Profit/(Loss) before Tax		(111,422,498)	(75,127,110)
Tax Expense:			
(1) Current Tax		-	-
(2) Deferred Tax		292,932,376	(29,442,523)
Profit (Loss) for the period/year		(404,354,874)	(45,684,587)

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

Basic & Diluted	(34.37)	(3.88)
-----------------	---------	--------

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS. 1 to 30

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)

Shruti Srivastava
Company Secretary

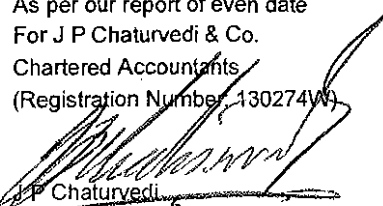
Swati Bauskar
Chief Financial Officer

Place: Mumbai
Date : 21st May 2016

ORCHID HOTELS PUNE PRIVATE LIMITED
(Formerly known as B W Highway Star Private Limited)
Cash Flow for the year ended 31st March, 2016.


PARTICULARS	31.03.2016		31.03.2015	
(Rupees)				
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Net profit/(Loss) before tax as per Statement Profit and Loss		(111,422,498)		(75,127,110)
<i>Adjustment for:</i>				
Depreciation and Amortization Expense	114,971,803		114,914,886	
Provision for Gratuity	597,018		-	
Provision for Earned Leave	1,891,580		99,978	
Provision for Bad and Doubtful Debts	-		27,254	
Liabilities and Provisions written back	(3,812,861)		(562,543)	
Interest income	(5,156,386)		(1,063,777)	
Finance Cost	37,764	108,528,918	48,444	113,464,242
Operating Profit/(Loss) before working capital changes		(2,893,580)		38,337,132
<i>Adjusted for:</i>				
Trade and other receivables (Increase in Trade receivable)	(1,990,976)		14,345,472	
Increase in Inventories (Increase In Inventories)	(3,367,062)		2,141,500	
Trade and other Payables	77,967,329	72,609,291	(9,540,823)	6,946,149
Cash generated from/(used for) operations		69,715,711		45,283,281
Direct Taxes Paid		192,264		(786,480)
Net cash from/(used for) operating activities		69,907,975		44,496,801
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets (including Capital Work in Progress)	(2,705,638)		(464,400)	
Investments made during the year	(10,000)		-	
Margin Money and Term Deposit with Banks	(60,300,000)		(254,604)	
Interest Received	2,456,971	(60,558,667)	1,014,985	295,981
Net Cash generated from / (used in) Investing Activities		(60,558,667)		295,981
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Repayment of Current Maturities of Long Term Borrowings			(36,871,407)	
Repayment of Bank Loan	(1,618,702)		(2,765,797)	
Interest paid	(37,764)		(766,648)	
		(1,656,466)		(40,403,852)
Net Cash generated from / (used in) Financing Activities		(1,656,466)		(40,403,852)
Net Increase/ (Decrease) in Cash and Cash Equivalents		7,692,843		4,388,930
Opening Balance of Cash and Cash Equivalents		8,576,309		4,187,379
Closing Balance of Cash and Cash Equivalents		16,269,152		8,576,309

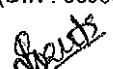
As per our report of even date
For J P Chaturvedi & Co.
Chartered Accountants
(Registration Number: 130274W)

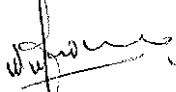

J P Chaturvedi
Proprietor
Membership No. 031373

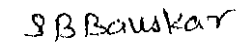
Place: Mumbai
Date: 21st May, 2016

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


Vikram V. Kamat
Managing Director
(DIN : 00556284)


Shrutu Srivastava
Company Secretary


Dinkar D. Jadhav
Director
(DIN : 01809881)


S B 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 , 2016

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.

i) Effective from 1st April, 2014, Depreciation is provided on the items of tangible fixed assets in the accounts on straight-line method based on the useful lives of those assets prescribed in Schedule II to the Companies Act, 2013 after considering the residual value not exceeding 5% of the cost. Buildings taken on lease and leasehold improvements are depreciated over the primary lease period. Cost of intangible assets is amortized in accordance with the provisions of Accounting Standard 26- "Intangible Assets".

ii) Where the historical cost of a depreciable asset undergoes a change due to increase or decrease on account of price adjustments, changes in duties or similar factors, depreciation on the revised amount is provided prospectively over the residual useful life of the asset.

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 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 , 2016

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 asset 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 , 2016

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 , 2016

		(Rupees)			
2.1 SHARE CAPITAL:		As at 31-Mar-16	As at 31-Mar-15		
Authorised:					
2,50,00,000 Equity shares of Rs 10/- each		250,000,000	250,000,000		
		250,000,000	250,000,000		
Issued, Subscribed and Fully Paid up:					
1,17,64,706 Equity Shares of Rs 10/- each fully paid		117,647,060	117,647,060		
TOTAL		117,647,060	117,647,060		
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-16	31-Mar-15		
	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-16	As at 31-Mar-15		
	Name of the Shareholder	Number of shares	%age held	Number of shares	%age held
	Kamat Hotels (India) Limited	11,764,706	100.00%	11,764,706	100.00%
		11,764,706	100.00%	11,764,706	100.00%
2.1.5	Particulars of shares held by specified categories	As at 31-Mar-16	As at 31-Mar-15		
		No. of shares	%age held	Number 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-16	As at 31-Mar-15		
	Securities Premium Reserve :				
	As per Last Balance Sheet	637,962,659		637,962,659	
	Surplus/(deficit) in the Statement of Profit and Loss :				
	As per Last Balance Sheet	(675,976,663)		(629,296,118)	
	Add/(Less): Depreciation adjusted against Opening Reserve			(995,978)	
		(675,976,663)		(630,292,096)	
	Add/(Less): Net Profit/(Loss) after Tax transferred from Statement of Profit and Loss	(404,354,874)		(45,684,587)	
	Balance in Statement of Profit and Loss	(1,080,331,557)		(675,976,683)	
	TOTAL	(442,368,898)		(38,014,024)	

ORCHID HOTELS PUNE PRIVATE LIMITED
(Formerly Known as B W Highway Star Private Limited)
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2016

3.1 LONG TERM BORROWINGS-NON CURRENT LIABILITIES

(Rupees)

	31-Mar-16		31-Mar-15	
	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]	-	1,755,690,564	-	1,757,309,266
Unsecured:				
Other Loans and Advances: Kamats Hotels (India) Limited (Holding Company)(Note 3.1.3 below).	1,964,639,995	-	1,964,639,995	-
Loans and Advances from Other companies	-	-	-	-
	1,964,639,995	1,755,690,564	1,964,639,995	1,757,309,266

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. 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-16	31-Mar-15
	(i) By Directors	1,755,690,564	1,757,309,266
	(ii) By Holding Company	1,755,690,564	1,757,309,266

- 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-16	31-Mar-15
Security Deposits - Others	4,210,000	1,951,264
TOTAL	4,210,000	1,951,264

3.3 LONG TERM PROVISIONS:

Provision for long service awards to employee	4,229,643	1,901,600
TOTAL	4,229,643	1,901,600

4.1 TRADE PAYABLES

	As at	As at
	31-Mar-16	31-Mar-15
Sundry Creditors	29,607,109	28,285,288
TOTAL	29,607,109	28,285,288

ORCHID HOTELS PUNE PRIVATE LIMITED
(Formerly Known as B W Highway Star Private Limited)
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2016

4.2 OTHER CURRENT LIABILITIES

	As at 31-Mar-16	(Rupees) As at 31-Mar-15
Current Maturities of Long term Borrowings (Assigned to ARCIL) (Note 4.21)	1,755,690,564	1,757,309,266
Interest accrued and due - Bank	141,868,291	141,868,291
Sub Total (Refer Note 26 (e))	1,897,558,855	1,899,177,557
Interest accrued but not due - Related Parties	419,816,122	419,816,122
Creditors for Capital Expenditure	8,073,408	16,985,846
Advance from Customers	5,778,444	8,168,176
Advance Club Membership Received	214,331	-
Lease Premium Payable - Provision	36,713,754	5,333,338
Dues to holding Company	8,610,954	-
Other Payables *	101,491,763	59,821,382
TOTAL	2,478,257,631	2,409,302,421

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

4.21 Includes Rs.179.43 lakhs recalled by the Bank during the previous, which was paid by bank to Director of Sports upon devolvement of Bank Guarantee.

4.3 SHORT TERM PROVISIONS:

	As at 31-Mar-16	(Rupees) As at 31-Mar-15
Provision for employee benefits - Current	419,375	258,820
TOTAL	419,375	258,820

4.31 Year end provision is made on the basis of valuation report of independent actuary.

ORCHID HOTELS PUNE PRIVATE LIMITED
(Formerly Known as B W Highway Star Private Limited)
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2016

5.0 FIXED ASSETS

	As at 01/04/2015	Additions during the Year / Period	Deductions / Retirements during the year	As at 31/03/2016	As at 31/03/2015
Gross Block (At Cost / Revalued)					
(a) Tangible Assets					
Leasehold Improvements	4,032,873,140	-	-	4,032,873,140	4,032,873,140
Furniture and Fixtures	36,627,561	275,325	-	36,902,886	36,627,561
Plant and Equipment	394,937,598	2,413,313	-	397,350,911	394,937,598
Office Equipment	4,544,247	17,000	-	4,561,247	4,544,247
	<u>4,468,982,546</u>	<u>2,705,638</u>	<u>-</u>	<u>4,471,688,184</u>	<u>4,468,982,546</u>
(b) Intangible Assets					
Computer Software	1,366,177	-	-	1,366,177	1,366,177
	<u>1,366,177</u>	<u>-</u>	<u>-</u>	<u>1,366,177</u>	<u>1,366,177</u>
TOTAL	<u>4,470,348,723</u>	<u>2,705,638</u>	<u>-</u>	<u>4,473,054,361</u>	<u>4,470,348,723</u>

Depreciation and Amortization

(a) Tangible Assets

	As at 01/04/2015	Charge for the Year / Period	As at 31/03/2016	As at 31/03/2015
Leasehold Improvements	250,641,925	70,531,570	321,173,495	250,641,925
Furniture and Fixtures	17,346,204	5,609,564	22,955,768	17,346,204
Plant and Equipment	129,035,954	38,731,460	167,767,414	129,035,954
Office Equipment	4,461,176	56,038	4,517,214	4,461,176
	<u>401,485,259</u>	<u>114,928,632</u>	<u>516,413,891</u>	<u>401,485,259</u>

(b) Intangible Assets

Computer Software	1,005,461	43,171	1,048,632	1,005,461
	<u>1,005,461</u>	<u>43,171</u>	<u>1,048,632</u>	<u>1,005,461</u>

TOTAL

	<u>402,490,720</u>	<u>114,971,803</u>	<u>517,462,523</u>	<u>402,490,720</u>
--	--------------------	--------------------	--------------------	--------------------

Net Book Value

(a) Tangible Assets

	As at 31/03/2016	As at 31/03/2015
Leasehold Improvements	3,711,699,645	3,782,231,215
Furniture and Fixtures	13,947,118	19,281,357
Plant and Equipment	229,583,497	265,901,644
Office Equipment	44,033	83,071
	<u>3,955,274,293</u>	<u>4,067,497,287</u>

(b) Intangible Assets

Computer Software	317,545	360,716
-------------------	---------	---------

TOTAL

	<u>317,545</u>	<u>360,716</u>
	<u>3,955,591,838</u>	<u>4,067,858,003</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.

ORCHID HOTELS PUNE PRIVATE LIMITED
(Formerly Known as B W Highway Star Private Limited)
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2016

6.0 DEFERRED TAX ASSETS

	As at 31-Mar-16	(Rupees) As at 31-Mar-15
Deferred Tax Liability Related to Fixed Assets	407,745,896	349,935,205
Deferred Tax Assets		
Disallowances under Income Tax Act, 1961	66,031,822	48,330,537
Carried forward Depreciation Allowance and Business Loss	669,053,597	594,537,044
TOTAL	735,085,419	642,867,581
Deferred Tax Asset Adjustments (Liability) net for the year	(327,339,523)	-
DEFERRED TAX ASSETS (NET)	-	292,932,376

Applying the principles of Accounting Standard 22-'Accounting for Taxes on Income', Deferred Tax Assets for the quarter and previous year including relating to additional depreciation provided in terms of Schedule II to the Companies Act, 2013 have been recognised only to the extent of Deferred Tax Liability.

7.0 NON CURRENT INVESTMENTS

5 Year National Saving Certificate	10,000	-
	10,000	-

8.0 LONG TERM LOANS AND ADVANCES:

	As at 31-Mar-16	As at 31-Mar-15
(Unsecured, considered good)		
Security Deposits	5,059,977	12,684,700
TOTAL	5,059,977	12,684,700

9.0 INVENTORIES:

	As at 31-Mar-16	As at 31-Mar-15
(Valued at lower of cost and net realizable value)		
Stock of Liquor, Provision, etc. (As per inventories valued and certified by the Management)	9,900,230	6,533,168
TOTAL	9,900,230	6,533,168

10.0 TRADE RECEIVABLES:

	As at 31-Mar-16	As at 31-Mar-15
(Unsecured, considered good unless otherwise stated)		
A. Outstanding for six months from the date they are due for payment	-	266,649
Less: Provision for doubtful debts	-	190,638
	-	76,011
B. Other receivables	15,860,222	8,988,910
	15,860,222	8,988,910
Total (A + B)	15,860,222	9,064,921

ORCHID HOTELS PUNE PRIVATE LIMITED
 (Formerly Known as B W Highway Star Private Limited)
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2016

	As at 31-Mar-16	(Rupees) As at 31-Mar-15
11.0 CASH AND BANK BALANCES:		
Cash and cash equivalents:		
Balances with banks:		
On current accounts	15,256,556	8,296,554
Cash on hand	1,012,594	279,755
	<u>16,269,152</u>	<u>8,576,309</u>
Other Bank Balance		
Margin Money in Fixed deposit with Banks with Maturity of more than 12 Months	7,365,246	7,065,246
Other Fixed Deposits with Bank (earmarked for disputed government dues)	60,000,000	-
TOTAL	<u>83,634,398</u>	<u>15,641,555</u>
12.0 SHORT TERM LOANS AND ADVANCES:	As at	As at
(Unsecured, considered good)	31-Mar-16	31-Mar-15
Balances with Authorities	1,822,153	487,974
Payment of income tax (net of provision for taxation)	9,118,237	9,310,501
Prepaid Expenses	2,866,969	3,009,730
Loans to Employees	-	10,000
Supplier Advances	768,751	10,456
Dues from Holding Company	-	3,114,260
Security Deposits	1,654,000	150,000
Loans and Advances - Others (Includes advance Lease Rent to Directors Sports)	67,327,798	64,836,853
	<u>83,557,908</u>	<u>80,929,774</u>
13.0 OTHER CURRENT ASSETS	As at	As at
	31-Mar-16	31-Mar-15
Interest Receivable on NSC	119	-
Interest Receivable on Bank Fixed Deposits	3,027,223	327,927
TOTAL	<u>3,027,342</u>	<u>327,927</u>

ORCHID HOTELS PUNE PRIVATE LIMITED
(Formerly Known as B W Highway Star Private Limited)
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2016

14.0 REVENUE FROM OPERATIONS:		01/04/2015 to 31/03/2016	(Rupees) 01/04/2014 to 31/03/2015
HOTEL OPERATIONS:			
Sale of services:			
Rooms, Restaurants, Bar, Banquets, etc.:			
Rooms		151,127,832	121,875,480
Food and Beverages		130,453,847	133,155,612
Wines and Liquor		10,673,453	12,367,010
	(A)	<u>292,255,132</u>	<u>267,398,102</u>
Other Operating revenue:			
Telephones and Internet Services		4,626	50,723
Laundry Services		742,901	882,412
Leave and License Fees		8,906,004	2,401,756
Conference and Banqueting Services		13,265,567	8,325,539
Car Rental and Transportation		1,052,426	843,186
Club Membership Fee		65,144	-
Royalty income received		1,428,629	608,080
Space Rent from Telecom Operators		1,464,173	1,269,600
Other services		336,595	309,191
	(B)	<u>27,266,065</u>	<u>14,690,487</u>
TOTAL	(A+B)	<u>319,521,197</u>	<u>282,088,589</u>
15.0 OTHER INCOME:			
		01/04/2015 to 31/03/2016	01/04/2014 to 31/03/2015
Gain on Foreign Exchange		58,801	52,465
Miscellaneous Income		771,415	283,784
Commission Earned		15,765	69,657
Liabilities and Provisions written back		3,812,861	562,543
		<u>4,658,842</u>	<u>968,449</u>
Interest Earned:			
Interest Earned on Electricity Deposit		128,110	-
Interest Earned on Bank Fixed Deposit		4,552,182	851,909
Interest Earned on NSC		119	-
Interest on Income Tax Refund		475,975	211,868
		<u>5,156,386</u>	<u>1,063,777</u>
TOTAL		<u>9,815,228</u>	<u>2,032,226</u>
16.0 COST OF FOOD AND BEVERAGE CONSUMED:			
		01/04/2015 to 31/03/2016	01/04/2014 to 31/03/2015
Opening Stock		2,366,166	3,633,810
Add: Purchases		45,864,810	41,406,120
		<u>48,270,976</u>	<u>45,039,930</u>
Less: Closing Stock		2,668,735	2,386,166
TOTAL		<u>45,602,241</u>	<u>42,653,764</u>
17.0 EMPLOYEE BENEFITS EXPENSE:			
		01/04/2015 to 31/03/2016	01/04/2014 to 31/03/2015
Salaries & Wages		57,161,565	48,282,352
Contribution to Provident and other Funds		3,546,321	2,925,339
Provision for Gratuity		597,018	-
Provision for Leave Encashment		1,891,580	99,978
Staff Welfare Expenses		7,913,847	6,412,534
TOTAL		<u>71,110,331</u>	<u>57,720,203</u>

ORCHID HOTELS PUNE PRIVATE LIMITED
(Formerly Known as B W Highway Star Private Limited)
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2016

17.1 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:

	2015-16	(Rupees) 2014-15
Employer's Contribution to Provident and Pension Fund Rs	3,546,321	2,925,339

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	2015-16		2014-15	
	Gratuity (Unfunded)	Leave Encashment (Unfunded)	Gratuity (Unfunded)	Leave Encashment (Unfunded)
a) Change in Present Value of Obligation				
Current Service Cost	722,094	1,953,029	537,438	249,634
Interest Cost	92,761	47,706	111,175	12,586
Actuarial (Gain) / Loss on Obligation	(138,597)	611,972	(871,903)	1,027,370
Benefits Paid	79,240	721,127	-	1,267,888
Present value of the obligation at the end of the year	1,799,054	2,849,964	1,202,036	958,384
b) Amounts Recognised in the Balance Sheet:				
Present value of Obligation at the end of the year	1,799,054	2,849,964	1,202,036	958,384
Fair value of Plan Assets at the end of the year	-	-	-	-
Net Obligation at the end of the year	1,799,054	2,849,964	1,202,036	958,384
c) Amounts Recognised in the Statement of Profit and Loss:				
Current Service Cost	722,094	1,953,029	537,438	249,634
Interest cost on Obligation	92,761	47,706	111,175	12,586
Expected return on Plan Assets	-	-	-	-
Net Actuarial (Gain) / Loss recognised in the year	(138,597)	611,972	(871,903)	1,027,370
Net Cost Included in Personnel Expenses	676,258	2,612,707	(223,290)	1,289,590
d) Actuarial Assumptions				
i) Discount Rate	7.98%	7.98%	7.80%	7.74%
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

ORCHID HOTELS PUNE PRIVATE LIMITED
(Formerly Known as B W Highway Star Private Limited)
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	(Rupees)	
18.0 OTHER EXPENSES:	01/04/2015 to 31/03/2016	01/04/2014 to 31/03/2015
Operating Expenses		
Electricity Charges	46,019,488	40,707,513
Gas and Fuel	7,698,871	9,749,608
	53,718,359	50,457,121
Lease Premium to Director of Sports (Note 18.1)	25,970,000	25,970,000
Licence, Rates and Taxes (Note 18.2)	55,481,116	21,751,031
Expenses on Apartments and Board	8,779,641	5,903,134
Sanitation and Laundry (net)	3,770,695	3,072,766
Repairs to Building	7,759,996	1,530,001
Repairs to Plant and Machinery	7,842,516	3,651,518
Repairs to Others	6,085,355	1,685,196
Replacements of operating supplies	1,360,389	1,958,256
Hire Charges	1,278,364	1,626,571
Water Charges	3,406,171	2,989,667
	121,734,243	70,138,140
Sales & Marketing Expenses		
Advertisement Charges	1,141,393	658,490
Sales Promotion and Marketing Expenses	1,314,451	810,648
Commission, Rebates, Short Recoveries, etc.	6,129,476	4,882,904
Management Consultancy fees and Royalty	15,353,844	8,643,353
Band and Music Expenses	449,084	1,164,397
	24,388,248	16,159,792
Admin & General Expenses		
Insurance	1,273,776	1,204,423
Travelling and Conveyance	259,667	422,416
Printing and Stationery	1,379,835	996,423
Telecommunication Expenses	908,973	825,454
Vehicle expenses	278,601	374,423
Legal, Professional and Consultancy Charges	2,627,259	2,125,057
Auditors Remuneration (Note 20)	81,148	88,652
Luxury Tax /Esic etc. Assessment Dues	-	12,459
Provision for Bad/Doubtful debts	-	27,254
Miscellaneous Expenses	2,319,675	1,079,013
	9,195,934	7,155,574
TOTAL	209,036,785	143,910,627

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 Rs.471.53 lakhs (Prev. Year Rs.122.21 lakhs) for the year 2015-2016 including arrears of levies for the delayed payment in respect of the Company's hotel property at Batewadi, 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. 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.

	(Rupees)	
19.0 FINANCE COST:	01/04/2015 to 31/03/2016	01/04/2014 to 31/03/2015
Other Borrowing Cost	37,764	48,444
TOTAL	37,764	48,444

19.1 No interest has been provided from 1st October, 2013 onwards on NPA bank loan assigned to ARC.

ORCHID HOTELS PUNE PRIVATE LIMITED
(Formerly Known as B W Highway Star Private Limited)
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2016

20.0 PAYMENT TO AUDITORS AS:

(Rupees)

	01/04/2015 to 31/03/2016	01/04/2014 to 31/03/2015
Auditors Remuneration		
Statutory Audit Fees	70,000	70,000
Taxation Matters	10,000	10,000
Service Tax	11,298	8,652
Service Tax input credit availed/booked	(10,150)	-
TOTAL	81,148	88,652

21.0 EXPENDITURE IN FOREIGN CURRENCY:

	2015-2016	2014-2015
Commission paid on Room Bookings	1,620,073	1,087,952
TOTAL	1,620,073	1,087,952

22.0 EARNINGS PER SHARE (EPS)

	2015-2016	2014-2015
Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	(404,354,874)	(45,684,587)
Weighted Average number of equity shares used as denominator for calculating EPS	11,764,706	11,764,706
Basic and Diluted Earnings Per Shares	(34.37)	(3.88)
Face Value per equity share	10.00	10.00

23.0 EARNINGS IN FOREIGN EXCHANGE

	2015-2016	2014-2015
For Hotel Services rendered	13,555,964	12,180,136

24.0 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

Dr. Vithal V. Kamat Director
Mr. Vikram V. Kamal 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 , 2016

(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, 2016:

Sr. No.	Nature of transactions	(Rupees)			
		Holding Company	Associates	Key Management Personnel and relatives	Other Related Parties
1	Management Consultancy Fees Incurred	17,521,882	NIL	NIL	NIL
		(9,534,439)	(NIL)	(NIL)	(NIL)
2	Interest on Long term loans taken*	-	NIL	NIL	NIL
		-	(NIL)	(NIL)	(NIL)
3	Advances received on Capital/Current Account	NIL	NIL	NIL	NIL
		NIL	(NIL)	(NIL)	(NIL)
4	Deposits received	100,000	NIL	NIL	NIL
		(300,000)	(NIL)	(NIL)	(NIL)
5	Loans taken during the year	NIL	(NIL)	(NIL)	(NIL)
		(NIL)	(NIL)	NIL	NIL
6	Advances repaid during the year	4,192,516	-	(NIL)	(NIL)
		(6,260,608)	(718,204)	NIL	NIL
7	Deposits Refunded during the year	100,000	-	(NIL)	(NIL)
		(300,000)	(NIL)	NIL	NIL
8	Advances given during the year	NIL	NIL	(NIL)	(NIL)
		(NIL)	(NIL)	NIL	NIL
9	Repayment of Loans	-	-	(NIL)	(NIL)
		(NIL)	(36,900,000)	NIL	NIL
10	Balance outstanding at the year end:			(NIL)	(NIL)
	Accounts Payable (Net)	2,393,067,070	-	NIL	NIL
		(2,381,341,856)	(NIL)	(NIL)	(NIL)
11	Project Advance	NIL	-	NIL	NIL
		(NIL)	(63,444,253)	(NIL)	(NIL)
12	Corporate Guarantee provided by Kamat Hotel (India) Limited on behalf of the Company	2,043,400,000	NIL	NIL	NIL
		(2,043,400,000)	(NIL)	(NIL)	(NIL)
13	Corporate Guarantee Given to bankers for Credit Facility availed by Kamat Hotels (India) Limited.	2,475,500,000	NIL	NIL	NIL
		(2,475,500,000)	(NIL)	(NIL)	(NIL)
14	Personal Guarantee Provided to the lenders.	(NIL)	(NIL)	4,300,000,000	(NIL)
		(NIL)	(NIL)	(4,300,000,000)	(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 Rs 41,92,516/- (Previous year Rs. 62,60,608/-) payment of management fees to Kamat Hotels (India) Limited and Rs. Nil (Previous Year Rs.7,18,204/-) paid to Plaza Hotels Pvt. Ltd towards payment of overdue interest.

Repayment of loans during the year includes Rs. Nil (Previous Year Rs.3,04,00,000) to Plaza Hotels Pvt Limited and Rs. Nil (Previous year Rs.65,00,000/-) to Kamats Development Pvt Ltd.

Corporate Guarantee provided by Kamat Hotel (India) Limited on behalf of the Company Rs 204,34,00,000/-

Accounts Payable includes amount of Rs 239,30,67,070/- due to Kamat Hotels (India) Ltd.

Company has given Corporate Guarantee to Bankers for Rs.247,55,00,000/- on behalf of loan availed by Holding Company.

Personal Guarantee provided by Dr. Vithal V Kamat on behalf of the Company Rs 215,00,00,000/-.

Personal Guarantee provided by Mr. Vikram V Kamat on behalf of the Company Rs 215,00,00,000/-.

25.0 The Company's significant leasing arrangements are in respect of operating leases for premises. These leasing arrangements, which are not non-cancelable, range between eleven months and Nine years generally or longer and are usually renewable by mutual consent on mutually agreeable terms.

The aggregate lease rentals payable are charged as rent and aggregate licence fees income from shops and other spaces on leave and licence basis are shown as Licence Fees.

Future commitments in respect of minimum lease payments payable for non-cancelable operating leases (other than land) entered into by the Company:

Particulars	(Rupees)	
	YEAR ENDED	YEAR ENDED
	31ST MARCH, 2016	31ST MARCH, 2015
Payable within one year -	5,81,680	53,000
Payable later than one year but not later than five years -	5,05,103	10,86,783
Payable after five years -		

The Company also has given shops and other spaces on Leave and Licence basis in respect of which future minimum licence fees receipts expected:

Particulars	(Rupees)	
	YEAR ENDED	YEAR ENDED
	31ST MARCH, 2016	31ST MARCH, 2015
Receivable within one year -	1,16,87,046	10,894,040.00
Receivable later than one year but not later than five years -	2,47,69,578	36,456,624.00

ORCHID HOTELS PUNE PRIVATE LIMITED
(Formerly Known as B W Highway Star Private Limited)
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2016

26.0 CONTINGENT LIABILITY AND COMMITMENTS

- a) Estimated amount of capital commitments to be executed on capital account and not provided for Rs. 2,40,000/- (Prev. year Rs Nil) (Net of advances)
 b) Open import licenses Rs. 12,14,57,705/- (Prev. Year Rs. 10,95,93,340/-)
 c) Counter Guarantees issued by the Company to secure Bank Guarantees Rs. 10,47,33,000/- (Previous year Rs. 10,44,33,000/-)
 d) Claims against the Company in respect of disputed demand by Contractors pending in appropriate courts Rs.72,00,000/- (Prev. year Rs. 87,22,339/-) and disputed claim of additional premium Rs. 2,25,00,000/- (Prev. year Rs 2,25,00,000/-) by The Director of Sports govt.of Maharashtra.
 e) ARCIL and ICICI Bank have jointly filed an application before DRT during the year claiming recovery of Rs. 252,37,89,819/- which has not been accepted by the Company and the matter is pending before.DRT.

27.0 VALUE OF IMPORTS ON CIF BASIS

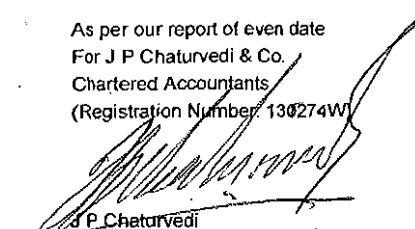
	(Rupees)	
	2015-16	2014-15
Capital Goods	NIL	NIL
TOTAL	NIL	NIL

28.0 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.

29.0 The Company has borrowed funds from ICICI Bank in the past. Due to financial crisis faced by economic slow down and other factors, it was unable to repay its loan obligations in the year 2012-13 and accordingly became Non Performing Asset (NPA). Consequently the Bank issued notice under section 13 (2) of the Securitisation and Reconstruction of Financial Asset and Enforcement of Security Interest Act, 2002 and re called the entire dues. Subsequently the Bank assigned the debts to ARCIL. Both ARCIL and the Bank have filed application before DRT for recovery of dues which has been disputed the Company. The Company's accumulated losses are in excess of its paid up capital and reserves and surplus. However considering the valuation of Assets and the future business prospects, the Financial Statements have been prepared on a going concern basis.


30.0 Figures of the previous year have been regrouped /reclassified wherever necessary to conform to the Current year's presentation.


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

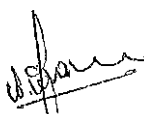

 J.P. Chaturvedi
 Proprietor
 Membership No. 031373

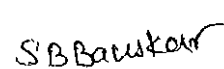
Place: Mumbai
 Date : 21st May , 2016.

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


 Vikram V. Kamat
 Managing Director
 (DIN : 00558284)


 Shruti Srivastava
 Company Secretary


 Dinkal D. Jadhav
 Director
 (DIN : 01809881)


 Swati Bauskar
 Chief Financial Officer