

31st March, 2017

ORCHID HOTELS PUNE PRIVATE LIMITED
REGD. OFFICE: KHIL HOUSE , 70-C, NEHRU ROAD, VILE PARLE (EAST), MUMBAI 400 099.

10TH ANNUAL REPORT

STATEMENT OF AUDITED ACCOUNTS

FOR THE YEAR ENDED

31ST MARCH 2017

AUDITORS
MESSRS J.P.CHATURVEDI & CO
Chartered Accountants

J. P. Chaturvedi & Co.

Chartered Accountants

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



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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ORCHID HOTELS PUNE PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Orchid Hotels Pune Private Limited, ("the Company") which comprise of Balance Sheet as at 31st March, 2017, 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

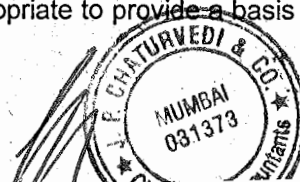
Our responsibility is to express an opinion on these financial statements based on our audit.

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, 2017, 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 30 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.

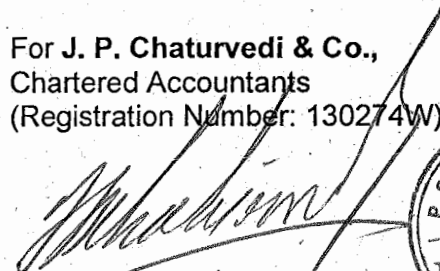
Report on Other Legal and Regulatory Requirements

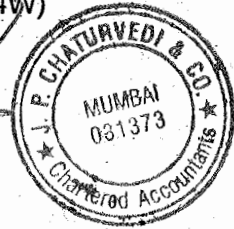
1. As required by the Companies (Auditor's Report) Order, 2017 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act we give in the **Annexure – "A"**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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.



- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- (iv) The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 27 to the financial statements.

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


J. P. Chaturvedi
Proprietor
Membership No.: 031373



Place: Mumbai
Dated: 19th May, 2017

J. P. Chaturvedi & Co.



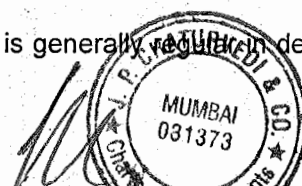
Chartered Accountants

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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, 2017. 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 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 1370 days	Principal
	ICICI Bank /ARCIL	1,224.97	0-90 days	Interest
		3,466.65	91-365 days	Interest
		10,158.68	366 to 1432 days	Interest

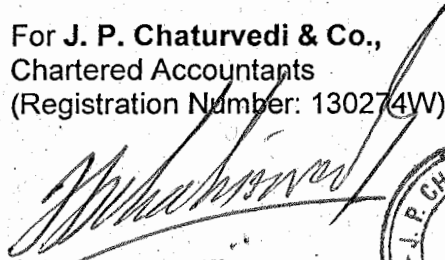
The Company has not borrowed any money from the Government or by way of debentures.

- 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: 19th May, 2017

J. P. Chaturvedi & Co.



Chartered Accountants

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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, 2017. 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, 2017 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.

Orchid Hotels Pune Private Limited
ANNEXURE "B" TO INDEPENDENT AUDITORS' REPORT – (31-03-2017)

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

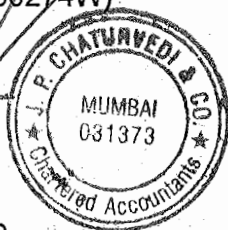
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal 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, 2017, 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: 19th May, 2017

ORCHID HOTELS PUNE PRIVATE LIMITED

(Formerly known as B W Highway Star Private Limited)

CIN No.U55101MH2007PTC170188

BALANCE SHEET AS AT 31ST MARCH, 2017

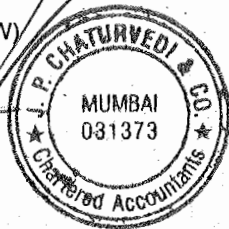
		(Rupees)		
	Note No.	Page No.	As at 31-Mar-2017	As at 31-Mar-2016
EQUITY AND LIABILITIES				
SHAREHOLDERS' FUNDS				
Share Capital	2.1		117,647,060	117,647,060
Reserves and Surplus	2.2		(503,947,556)	(442,368,898)
			<u>(386,300,496)</u>	<u>(324,721,838)</u>
NON-CURRENT LIABILITIES				
Long Term Borrowings	3.1		1,964,639,995	1,964,639,995
Deferred Tax Liabilities (Net)			-	-
Other Long Term Liabilities	3.2		3,410,000	4,210,000
Long Term Provisions	3.3		8,017,784	4,229,643
			<u>1,976,067,779</u>	<u>1,973,079,638</u>
CURRENT LIABILITIES				
Trade Payables	4.1		34,806,872	29,607,109
Other Current Liabilities	4.2		2,396,595,400	2,478,257,631
Short Term Provisions	4.3		693,099	419,375
			<u>2,432,095,371</u>	<u>2,508,284,115</u>
TOTAL			<u><u>4,021,862,654</u></u>	<u><u>4,156,641,915</u></u>
ASSETS				
NON-CURRENT ASSETS				
Fixed Assets:				
Tangible Assets	5.0		3,861,684,165	3,955,274,293
Intangible Assets	5.0		283,487	317,545
Capital Work-In-Progress	5.0		90,415	-
Deferred Tax Assets (Net)	6.0		-	-
Non Current Investments	7.0		10,000	10,000
Long Term Loans and Advances	8.0		4,913,977	5,059,977
			<u>3,866,982,044</u>	<u>3,960,661,815</u>
CURRENT ASSETS				
Inventories	9.0		7,019,982	9,900,230
Trade Receivables	10.0		9,118,197	15,860,222
Cash and Bank Balances	11.0		60,665,568	83,634,398
Short Term Loans and Advances	12.0		77,553,080	83,557,908
Other Current Assets	13.0		523,783	3,027,342
			<u>154,880,610</u>	<u>195,980,100</u>
TOTAL			<u><u>4,021,862,654</u></u>	<u><u>4,156,641,915</u></u>

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS.

1 to 31

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

J P Chaturvedi
Proprietor
Membership No. 031373



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

B. C. Kamdar

B. C. Kamdar
Managing Director
(DIN : 01972386)

Shruti
Shruti Srivastava
Company Secretary

Dinker D. Jadhav
Dinker D. Jadhav
Director
(DIN : 01809881)

S B Bauskar
Swati Bauskar
Chief Financial Officer

Place: Mumbai
Date: 19th May, 2017

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 2017

		(Rupees)	
	Note No.	01-04-2016 to 31-03-2017	01-04-2015 to 31-03-2016
INCOME			
Revenue from Hotel Operations	14.0	274,347,404	319,521,197
Other Income	15.0	29,095,723	9,815,228
Total Revenue		303,443,127	329,336,425
EXPENDITURE			
Cost of Food and Beverages consumed	16.0	33,666,286	45,602,241
Employee Benefit Expenses	17.0	68,775,873	71,110,331
Other Expenses	18.0	166,649,790	209,036,785
Total Expenses		269,091,949	325,749,357
Profit/(Loss) before Finance Cost, Depreciation and Tax		34,351,178	3,587,068
Finance Costs	19.0	301,401	37,764
Depreciation and Amortization Expense	5.0	95,628,435	114,971,802
Profit/(Loss) before Tax		(61,578,658)	(111,422,498)
Tax Expense:			
(1) Current Tax		-	-
(2) Deferred Tax		-	292,932,376
Profit (Loss) for the year from continuing Operations		(61,578,658)	(404,354,874)
Profit (Loss) from discontinuing Operations		-	-
Tax Expense of discontinuing Operations		-	-
Profit (Loss) from discontinuing Operations after Tax		-	-
Profit (Loss) for the year		(61,578,658)	(404,354,874)

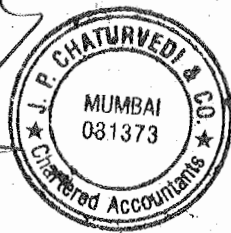
Earning per Equity Share of face value of Rs. 10/- each :

Basic & Diluted	(5.23)	(34.37)
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SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS. 1 to 31

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

B. C. Kamdar
B. C. Kamdar
Managing Director
(DIN : 01972386)

Dinkar D. Jadhav
Dinkar D. Jadhav
Director
(DIN : 01809881)

Shruti Srivastava
Shruti Srivastava
Company Secretary

S B Bauskar
Swati Bauskar
Chief Financial Officer

Place: Mumbai
Date : 19th May, 2017

ORCHID HOTELS PUNE PRIVATE LIMITED
(Formerly Known as B W Highway Star Private Limited)
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2017

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 hotel 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.

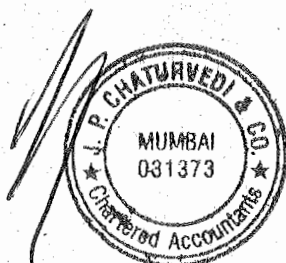
1.4 Impairment:

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 , 2017

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.

Foreign exchange transactions:

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

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

1.10 Borrowing costs:

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

1.11 Provisions and contingent liabilities:

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



ORCHID HOTELS PUNE PRIVATE LIMITED
(Formerly Known as B W Highway Star Private Limited)
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2017

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 , 2017

(Rupees)

2.1 SHARE CAPITAL:

	As at 31-Mar-17	As at 31-Mar-16
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-17	31-Mar-16
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-17		As at 31-Mar-16	
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-17		As at 31-Mar-16	
By Holding Company	No. of shares	%age held	Number of shares	% held
	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-17	As at 31-Mar-16
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	(1,080,331,557)	(675,976,683)
Add/(Less): Depreciation adjusted against Opening Reserve	(1,080,331,557)	(675,976,683)
Add/(Less): Net Profit/(Loss) after Tax transferred from Statement of Profit and Loss	(61,578,658)	(404,354,874)
Balance in Statement of Profit and Loss	(1,141,910,215)	(1,080,331,557)
TOTAL	(503,947,556)	(442,368,898)



ORCHID HOTELS PUNE PRIVATE LIMITED
(Formerly Known as B W Highway Star Private Limited)
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2017

3.1 LONG TERM BORROWINGS-NON CURRENT LIABILITIES

(Rupees)

	31-Mar-17		31-Mar-16	
	Non-Current Portion	Current Maturities	Non-Current Portion	Current Maturities
Secured:				
Term Loans from Banks:(Assigned to ARCIL). ICICI Bank Limited (Limit Rs 193.00 Crores) [Note 3.1.1 & 3.1.2 below]	-	1,755,444,595	-	1,755,690,564
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	1,755,444,595	1,964,639,995	1,755,690,564

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-17	31-Mar-16
(i) By Directors	1,755,444,595	1,755,690,564
(ii) By Holding Company	1,755,444,595	1,755,690,564

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-17	31-Mar-16
Security Deposits - Others	3,410,000	4,210,000
TOTAL	3,410,000	4,210,000
LONG TERM PROVISIONS:		
Provision for long service awards to employee	8,017,784	4,229,643
TOTAL	8,017,784	4,229,643

4.1 TRADE PAYABLES

	As at	As at
	31-Mar-17	31-Mar-16
Micro, Small and Medium Enterprises	-	-
Sundry Creditors	34,806,872	29,607,109
TOTAL	34,806,872	29,607,109



ORCHID HOTELS PUNE PRIVATE LIMITED
(Formerly Known as B W Highway Star Private Limited)
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2017

4.2 OTHER CURRENT LIABILITIES

	(Rupees)	
	As at 31-Mar-17	As at 31-Mar-16
Current Maturities of Long term Borrowings (Assigned to ARCIL) (Note 4.21)	1,755,444,595	1,755,690,564
Interest accrued and due - Bank	141,868,291	141,868,291
Sub Total (Refer Note 26 (e))	<u>1,897,312,886</u>	<u>1,897,558,855</u>
Interest accrued but not due - Related Parties	419,816,122	419,816,122
Creditors for Capital Expenditure	7,624,361	8,073,408
Advance from Customers	3,519,182	5,778,444
Advance Club Membership Received	15,717	214,331
Lease Premium Payable - Provision	62,683,754	36,713,754
Dues to holding Company	1,104,075	8,610,954
Other Payables *	4,519,303	101,491,763
TOTAL	<u>2,396,595,400</u>	<u>2,478,257,631</u>

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

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

SHORT TERM PROVISIONS:

	(Rupees)	
	As at 31-Mar-17	As at 31-Mar-16
Provision for employee benefits - Current	693,099	419,375
Provision for tax (Net of payment)		
TOTAL	<u>693,099</u>	<u>419,375</u>

4.31 Year end provision is made on the basis of valuatuiou 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 , 2017

5.0 FIXED ASSETS

Gross Block (At Cost / Revalued)	As at 01/04/2016	Additions during the Year / Period	Deductions / Retirements during the year	As at 31/03/2017	As at 31/03/2016
(a) Tangible Assets					
Leasehold Improvements	4,032,873,140	-	-	4,032,873,140	4,032,873,140
Furniture and Fixtures	36,902,886	280,500	-	37,183,386	36,902,886
Plant and Equipment	397,350,911	1,444,995	-	398,795,906	397,350,911
Office Equipment	4,561,247	278,755	-	4,840,001	4,561,247
	<u>4,471,688,184</u>	<u>2,004,250</u>	<u>-</u>	<u>4,473,692,433</u>	<u>4,471,688,184</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>4,473,054,361</u>	<u>2,004,250</u>	<u>-</u>	<u>4,475,058,610</u>	<u>4,473,054,361</u>

Depreciation and Amortization

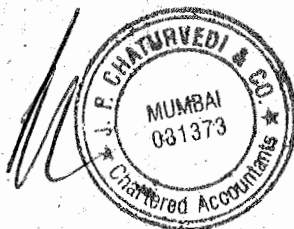
	As at 01/04/2016	Charge for the Year / Period	As at 31/03/2017	As at 31/03/2016
(a) Tangible Assets				
Leasehold Improvements	321,173,495	67,609,089	388,782,584	321,173,495
Furniture and Fixtures	22,955,768	2,539,250	25,495,018	22,955,768
Plant and Equipment	167,767,414	25,430,861	193,198,275	167,767,414
Office Equipment	4,517,214	15,177	4,532,391	4,517,214
	<u>516,413,891</u>	<u>95,594,377</u>	<u>612,008,268</u>	<u>516,413,891</u>
(b) Intangible Assets				
Computer Software	1,048,632	34,058	1,082,690	1,048,632
	<u>1,048,632</u>	<u>34,058</u>	<u>1,082,690</u>	<u>1,048,632</u>
TOTAL	<u>517,462,523</u>	<u>95,628,435</u>	<u>613,090,958</u>	<u>517,462,523</u>

Net Book Value

	As at 31/03/2017	As at 31/03/2016
(a) Tangible Assets		
Leasehold Improvements	3,644,090,556	3,711,699,645
Furniture and Fixtures	11,688,368	13,947,118
Plant and Equipment	205,597,631	229,583,497
Office Equipment	307,610	44,033
	<u>3,861,684,165</u>	<u>3,955,274,293</u>
(b) Intangible Assets		
Computer Software	283,487	317,545
TOTAL	<u>283,487</u>	<u>317,545</u>
	<u>3,861,967,652</u>	<u>3,955,591,838</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.



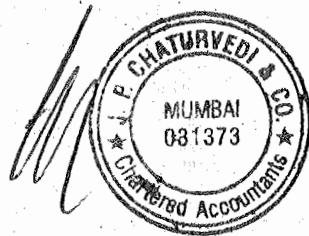
ORCHID HOTELS PUNE PRIVATE LIMITED
(Formerly Known as B W Highway Star Private Limited)
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2017

	(Rupees)	
	As at 31-Mar-17	As at 31-Mar-16
6.0 DEFERRED TAX ASSETS		
Deferred Tax Liability Related to Fixed Assets	461,900,043	407,745,896
Deferred Tax Assets		
Disallowances under Income Tax Act, 1961	31,572,745	66,031,822
Carried forward Depreciation Allowance and Business Loss	761,132,803	669,053,597
TOTAL	792,705,548	735,085,419
Deferred Tax Asset Adjustments (Liability) net for the year	(330,805,505)	(327,339,523)
DEFERRED TAX ASSETS (NET)	-	-
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
	10,000	10,000
8.0 LONG TERM LOANS AND ADVANCES: (Unsecured, considered good)		
Capital Advances	-	-
Security Deposits	4,913,977	5,059,977
TOTAL	4,913,977	5,059,977
9.0 INVENTORIES: (Valued at lower of cost and net realizable value)	As at	As at
	31-Mar-17	31-Mar-16
Stock of Liquor, Provision, etc. (As per inventories valued and certified by the Management)	7,019,982	9,900,230
TOTAL	7,019,982	9,900,230
10.0 TRADE RECEIVABLES: (Unsecured, considered good unless otherwise stated)	As at	As at
	31-Mar-17	31-Mar-16
A. Outstanding for six months from the date they are due for payment	7,185,108	-
Less: Provision for doubtful debts	6,125,881	-
	1,059,227	-
B. Other receivables	8,058,970	15,860,222
Less: Provision for doubtful debts	-	-
	8,058,970	15,860,222
Total (A + B)	9,118,197	15,860,222



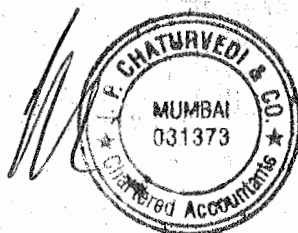
ORCHID HOTELS PUNE PRIVATE LIMITED
(Formerly Known as B W Highway Star Private Limited)
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2017

	As at 31-Mar-17	(Rupees) As at 31-Mar-16
11.0 CASH AND BANK BALANCES:		
Cash and cash equivalents:		
Balances with banks:		
On current accounts	16,333,657	15,256,558
Cash on hand	86,338	1,012,594
	<u>16,419,995</u>	<u>16,269,152</u>
Other Bank Balance:		
Margin Money in Fixed deposit with Banks with Maturity of more than 12 Months	8,288,772	7,365,246
Other Fixed Deposits with Bank (earmarked for disputed government dues)	35,956,801	60,000,000
TOTAL	<u>60,665,568</u>	<u>83,634,398</u>
12.0 SHORT TERM LOANS AND ADVANCES:		
(Unsecured, considered good)		
Balances with Authorities	1,243,974	1,822,153
Payment of income tax (net of provision for taxation)	4,764,836	9,118,237
Prepaid Expenses	3,645,767	2,866,969
Loans to Employees	-	-
Supplier Advances	1,917,754	768,751
Dues from Holding Company	-	-
Security Deposits	200,000	1,654,000
Loans and Advances - Others (Includes advance Lease Rent to Directors Sports)	65,780,749	67,327,798
	<u>77,553,080</u>	<u>83,557,908</u>
13.0 OTHER CURRENT ASSETS		
Interest Receivable on Electricity Deposit	225,281	-
Interest Receivable on NSC	1,152	119
Interest Receivable on Bank Fixed Deposits	297,350	3,027,223
TOTAL	<u>523,783</u>	<u>3,027,342</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 , 2017

		(Rupees)	
		01/04/2016 to 31/03/2017	01/04/2015 to 31/03/2016
14.0	REVENUE FROM OPERATIONS:		
	HOTEL OPERATIONS:		
	Sale of services:		
	Rooms, Restaurants, Bar, Banquets, etc.:		
	Rooms	123,678,323	151,127,832
	Food and Beverages	110,950,869	130,453,847
	Wines and Liquor	11,482,702	10,673,453
	(A)	246,111,894	292,255,132
	Other Operating revenue:		
	Telephones and Internet Services	50	4,626
	Laundry Services	493,822	742,901
	Leave and License Fees	7,225,587	8,906,004
	Conference and Banqueting Services	15,062,077	13,265,567
	Car Rental and Transportation	665,047	1,052,426
	Club Membership Fee	177,944	65,144
	Entry Fee for New Year 2016	1,558,949	-
	Royalty income received	891,240	1,428,629
	Space Rent from Telecom Operators	1,835,041	1,464,173
	Other services	325,754	336,595
	(B)	28,235,510	27,266,065
	TOTAL	274,347,404	319,521,197
15.0	OTHER INCOME:	01/04/2016 to 31/03/2017	01/04/2015 to 31/03/2016
	Gain on Foreign Exchange	12,243	58,801
	Miscellaneous Income	810,508	771,415
	Commission Earned	-	15,765
	Liabilities and Provisions written back	22,916,914	3,812,861
	Cashier Excess/Shortage	-	-
		23,739,665	4,658,842
	Interest Earned:		
	Interest Earned on Electricity Deposit	225,281	128,110
	Interest Earned on Bank Fixed Deposit	4,851,380	4,552,182
	Interest Earned on NSC	1,033	119
	Interest on Income Tax Refund	278,365	475,975
		5,356,059	5,156,386
	TOTAL	29,095,723	9,816,228
16.0	COST OF FOOD AND BEVERAGE CONSUMED:	01/04/2016 to 31/03/2017	01/04/2015 to 31/03/2016
	Opening Stock	2,668,735	2,386,166
	Add: Purchases	32,482,250	45,884,810
		35,150,985	48,270,976
	Less: Closing Stock	1,484,698	2,668,735
	TOTAL	33,666,286	45,602,241
17.0	EMPLOYEE BENEFITS EXPENSE:	01/04/2016 to 31/03/2017	01/04/2015 to 31/03/2016
	Salaries & Wages	54,424,008	57,161,565
	Contribution to Provident and other Funds	2,916,453	3,546,321
	Provision for Gratuity	2,727,741	597,018
	Provision for Leave Encashment	1,334,124	1,891,580
	Staff Welfare Expenses	7,373,547	7,913,847
	TOTAL	68,775,873	71,110,331



ORCHID HOTELS PUNE PRIVATE LIMITED
(Formerly Known as B W Highway Star Private Limited)
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2017

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:

	2016-17	2015-16
Employer's Contribution to Provident and Pension Fund Rs	2,916,453	3,546,321

(Rupees)

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.

(Rupees)

Particulars	2016-17		2015-16	
	Gratuity (Unfunded)	Leave Encashment (Unfunded)	Gratuity (Unfunded)	Leave Encashment (Unfunded)
a) Change in Present Value of Obligation				
Current Service Cost	855,205	908,847	722,094	1,953,029
Interest Cost	143,565	227,428	92,761	47,706
Actuarial (Gain) / Loss on Obligation	(70,082)	(2,226,963)	(138,597)	611,972
Benefits Paid	-	-	79,240	721,127
Present value of the obligation at the end of the year	2,727,742	1,759,276	1,799,054	2,849,964
b) Amounts Recognised in the Balance Sheet:				
Present value of Obligation at the end of the year	2,727,742	1,759,276	1,799,054	2,849,964
Fair value of Plan Assets at the end of the year	-	-	-	-
Net Obligation at the end of the year	2,727,742	1,759,276	1,799,054	2,849,964
c) Amounts Recognised in the Statement of Profit and Loss:				
Current Service Cost	855,205	908,847	722,094	1,953,029
Interest cost on Obligation	143,565	227,428	92,761	47,706
Expected return on Plan Assets	-	-	-	-
Net Actuarial (Gain) / Loss recognised in the year	(70,082)	(2,226,963)	(138,597)	611,972
Net Cost Included in Personnel Expenses	928,688	(1,090,688)	676,258	2,612,707
d) Actuarial Assumptions				
i) Discount Rate	7.32%	7.32%	7.98%	7.98%
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 , 2017

(Rupees)

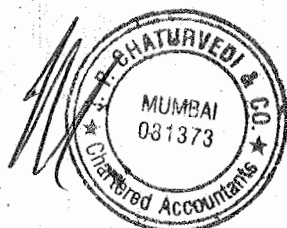
18.0 OTHER EXPENSES:	01/04/2016 to 31/03/2017	01/04/2015 to 31/03/2016
Operating Expenses		
Electricity Charges	35,015,659	46,019,488
Gas and Fuel	6,678,607	7,698,871
	41,694,266	53,718,359
Lease Premium to Director of Sports (Note 18.1)	25,970,000	25,970,000
Licence, Rates and Taxes (Note 18.2)	25,047,791	55,481,116
Expenses on Apartments and Board Sanitation and Laundry (net)	7,855,128	8,779,641
Repairs to Building	2,589,374	3,770,695
Repairs to Plant and Machinery	3,329,353	7,759,996
Repairs to Others	6,385,399	7,842,516
Replacements of operating supplies	1,446,747	6,085,355
Hire Charges	3,665,167	1,360,389
Water Charges	3,230,634	1,278,364
	2,825,902	3,406,171
	82,345,495	121,734,243
Sales & Marketing Expenses		
Advertisement Charges	1,316,278	1,141,393
Sales Promotion and Marketing Expenses	1,577,586	1,314,451
Commission, Rebates, Short Recoveries, etc.	9,036,643	6,129,476
Management Consultancy fees and Royalty	12,586,659	15,353,844
Band and Music Expenses	1,772,358	449,084
	26,289,524	24,388,248
Admin & General Expenses		
Insurance	1,575,764	1,273,776
Travelling and Conveyance	205,446	259,667
Printing and Stationery	1,322,384	1,379,835
Telecommunication Expenses	819,569	908,973
Vehicle expenses	731,671	278,601
Legal, Professional and Consultancy Charges	2,759,785	2,627,259
Donations	6,000	67,000
Auditors Remuneration (Note 20)	80,400	81,148
Provision for Bad/Doubtful debts	6,125,881	-
MVAT Audit Dues	26,307	-
Service Tax Audit Dues	585,077	-
Miscellaneous Expenses	2,082,223	2,319,675
	16,320,507	9,195,934
	166,649,790	209,036,785
TOTAL	166,649,790	209,036,785

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.131.94 lakhs (Prev. Year Rs.471.53 lakhs) for the year 2016-2017 including arrears of levies for the delayed payment in respect of the Company's hotel property at Balewadi, Pune. PMC has also revised the Annual Rateable Value (ARV) retrospectively from 1.10.2008. The Company has disputed the said action and demand by filing a suit in appropriate court, which is pending. 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 but paid dues upto 31-3-2017 under protest to PMC during the year under Amnesty Scheme.

19.0 FINANCE COST:	01/04/2016 to 31/03/2017	01/04/2015 to 31/03/2016
Other Borrowing Cost	301,401	37,764
	301,401	37,764
TOTAL	301,401	37,764

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 , 2017

20.0 PAYMENT TO AUDITORS AS:

(Rupees)

	01/04/2016 to 31/03/2017	01/04/2015 to 31/03/2016
Auditors Remuneration	70,000	70,000
Statutory Audit Fees	10,000	10,000
Taxation Matters	12,350	11,298
Service Tax	(11,950)	(10,150)
Service Tax input credit availed/booked	80,400	81,148
TOTAL	80,400	81,148

21.0 EXPENDITURE IN FOREIGN CURRENCY:

	2016-2017	2015-2016
Commission paid on Room Bookings	272,685	1,620,073
TOTAL	272,685	1,620,073

22.0 EARNINGS PER SHARE (EPS)

	2016-2017	2015-2016
Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	(61,578,658)	(404,354,874)
Weighted Average number of equity shares used as denominator for calculating EPS	11,764,706	11,764,706
Basic and Diluted Earnings Per Shares	(5.23)	(34.37)
Face Value per equity share	10.00	10.00

23.0 EARNINGS IN FOREIGN EXCHANGE

	2016-2017	2015-2016
For Hotel Services rendered	9,711,415	13,555,964

24.0 RELATED PARTY DISCLOSURES:

Related Parties where control exists:

(a) Holding Company
Kamat Hotels (India) Limited

(b) Associates: None

(c) Key Management Personnel
Dr. Vithal V. Kamat Director
Mr. Vikram V. Kamat Managing Director (upto 15-6-2016)
Mr. B.C.Kamdar Managing Director (w.e.f. 9-11-2016)

ORCHID HOTELS PUNE PRIVATE LIMITED
(Formerly Known as B W Highway Star Private Limited)
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2017

(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, 2017:

(Rupees)

Sr. No.	Nature of transactions	Holding Company	Associates	Key Management Personnel and relatives	Other Related Parties
1	Management Consultancy Fees Incurred	12,586,659	NIL	NIL	NIL
		(17,521,882)	(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
		(100,000)	(NIL)	(NIL)	(NIL)
5	Loans taken during the year	NIL	NIL	NIL	NIL
		(NIL)	(NIL)	(NIL)	(NIL)
6	Advances repaid during the year	8,610,954	NIL	NIL	NIL
		(4,192,516)	(NIL)	(NIL)	(NIL)
7	Deposits Refunded during the year	100,000	NIL	NIL	NIL
		(100,000)	(NIL)	(NIL)	(NIL)
8	Advances given during the year	NIL	NIL	NIL	NIL
		(NIL)	(NIL)	(NIL)	(NIL)
	Repayment of Loans	NIL	NIL	NIL	NIL
		(NIL)	(NIL)	(NIL)	(NIL)
10	Balance outstanding at the year end:	NIL	NIL	NIL	NIL
	Accounts Payable (Net)	(2,382,350,940)	-	NIL	NIL
		(2,393,067,070)	(NIL)	(NIL)	(NIL)
11	Project Advance	NIL	63,444,253	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 86,10,954/- (Previous year Rs. 41,92,516/-) represent payment of management fees to Kamat Hotels (India) Limited.

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

Accounts Payable includes amount of Rs. 238,23,50,940/- (Prev. Year Rs 239,30,67,070/-) due to Kamat Hotels (India) Ltd.

Company has given Corporate Guarantee to Bankers for Rs.247,55,00,000/- (Prev year 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/- (Prev. Year Rs. 215,00,00,000/-)

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

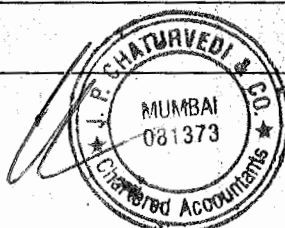
(Rupees)

Particulars	YEAR ENDED	YEAR ENDED
	31ST MARCH, 2017	31ST MARCH, 2016
Payable within one year -	3,64,000	5,81,680
Payable later than one year but not later than five years -	2,09,000	5,05,103
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:

(Rupees)

Particulars	YEAR ENDED	YEAR ENDED
	31ST MARCH, 2017	31ST MARCH, 2016
Receivable within one year -	1,08,60,040	11,687,046
Receivable later than one year but not later than five years -	1,00,31,040	24,769,578



ORCHID HOTELS PUNE PRIVATE LIMITED
(Formerly Known as B W Highway Star Private Limited)
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2017

26.0 CONTINGENT LIABILITY AND COMMITMENTS

- a) Estimated amount of capital commitments to be executed on capital account and not provided for Rs. 8,93,554/- (Prev. year Rs.2,40,000/-) (Net of advances)
- b) Open import licenses Rs. 12,69,74,191/- (Prev. Year Rs. 12,14,57,705/-)
- c) Counter Guarantees issued by the Company to secure Bank Guarantees Rs. 10,19,80,000/- (Previous year Rs. 10,47,33,000/-)
- d) Claims against the Company in respect of disputed demand by Contractors pending in appropriate courts Rs.NIL (Prev. year Rs. 72,00,000/-) 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 earlier year claiming recovery of Rs. 252,37,89,819/- plus further interest which has not been accepted by the Company and the matter is pending before DRT.

27.0 DISCLOSURE ON SPECIFIED BANK NOTES (SBNs) :

During the year, the company had specified bank notes or other denomination note as defined in the MCA notification GSR 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBNs) held and transacted during the peirod from 8th November, 2016 to 30th December, 2016, the denomiatio wise SBNs and other notes as per the said notification is given below:

(Rupees)

Particulars	SBNs	Other demomination notes	Total
Closing cash in hand on November 8, 2016	292,000	230,205	230,205
(+) permitted receipts	-	2,870,341	2,870,341
(-) permitted payments	-	284,993	284,993
(-) amount deposited in banks	292,000	2,462,296	2,462,296
Closing cash in hand on December 30, 2016	-	353,257	353,257

28.0 VALUE OF IMPORTS ON CIF BASIS

(Rupees)

	2016-17	2015-16
Capital Goods	NIL	NIL
TOTAL	NIL	NIL

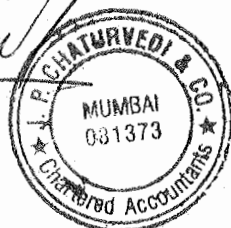
- 29.0 The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act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

- 30.0 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.

- 31.0 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



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

B. C. Kamdar
B. C. Kamdar
Mg - Director
(DIN : 01972386)

Shruti Srivastava
Company Secretary

Dinkar D. Jadhav
Director
(DIN : 01809881)

Swati Bauskar
Chief Financial Officer

Place: Mumbai
Date : 19th May , 2017.