

**27th Annual Report
2013-2014**



TULIP STAR HOTELS LTD.

BOARD OF DIRECTORS

A. B. M. GOOD

Chairman

DR. AJIT B. KERKAR

Managing Director

MAHENDRA LODHA

ARVIND S. HERWADKAR

MAHALINGAM NARAYANAN

PESI S. PATEL

SHAILESH S. MODY

COMPANY SECRETARY

Sanjeev D. Shenvi

AUDITORS

Ray & Ray

Chartered Accountants

REGISTERED OFFICE

Plot No. 3, Opp. Punchkuiya Road

Bhanot Chamber, Aram Bagh,

Pahar gang,

New Delhi - 110 055.

CORPORATE OFFICE

Chander Mukhi,

Nariman Point, Mumbai - 400 021.

SECRETARIAL OFFICE

Chander Mukhi,

Nariman Point, Mumbai - 400 021.

SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd.,

C-13, Pannalal Silk Mills Compound,

L.B.S. Road, Bhandup (W),

Mumbai - 400 078.

NOTICE TO THE MEMBERS

Notice is hereby given that the Twenty Seventh Annual General Meeting of the Members of Tulip Star Hotels Limited will be held at The Deputy Speaker Hall, Constitution Club, Vithal Bhai Patel House, Rafi Marg, New Delhi – 110 001 on Tuesday, September 30, 2014 at 3.30 p.m. to transact the following business:

ORDINARY BUSINESS:

Item No. 1. – Adoption of Accounts

To receive, consider and adopt the audited Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and the Auditors thereon.

Item No. 2. – Re-appointment of Mr. A. B. M. Good

To appoint a Director in place of Mr. A. B. M. Good (DIN: 00189453) who retires by rotation and being eligible offers himself for reappointment.

Item No. 3. – Re-appointment of Statutory Auditors

To consider and, if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution :

“RESOLVED THAT in accordance with applicable provisions of the Companies Act, 2013, and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof), the retiring Auditors, M/s. Ray & Ray, Chartered Accountants (Registration No. 301072E) be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to fix the remuneration payable and the reimbursement of out of pocket expenses, if any, to the said Auditors.”

SPECIAL BUSINESS:

Item No. 4. – To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution :

“RESOLVED THAT, pursuant to the provisions of Section 149, 152, 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Rules made thereunder and in partial modification to the Special Resolution passed at the 26th Annual General Meeting held on August 13, 2013, in relation to the re-appointment of Dr. Ajit B. Kerkar (DIN: 00022311) as Managing Director of the Company, consent be and is hereby accorded to change the term of retirement of Dr. Ajit B. Kerkar from ‘not be liable to retire by rotation’ to ‘liable to retire by rotation’.

RESOLVED FURTHER THAT all other terms and conditions as mentioned in the Special Resolution passed at the 26th Annual General Meeting held on August 13, 2013, in relation to the re-appointment of Dr. Ajit B. Kerkar as Managing Director of the Company shall remain unchanged.”

Item No. 5. – Appointment of Mr. Mahendra Lodha as Independent Director

To appoint Mr. Mahendra Lodha as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including and statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement with Stock Exchange, Mr. Mahendra Lodha (DIN: 00012920), who was appointed as Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation to hold office for 5 (Five) consecutive years for a term upto the Annual General Meeting for the Financial Year 2018-19 or September 29, 2019 whichever is earlier.”

Item No. 6. – Appointment of Mr. Arvind S. Herwadkar as Independent Director

To appoint Mr. Arvind S. Herwadkar as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including and statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement with Stock Exchange, Mr. Arvind S. Herwadkar (DIN: 00265493), who was appointed as Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation to hold office for 5 (Five) consecutive years for a term upto the Annual General Meeting for the Financial Year 2018-19 or September 29, 2019 whichever is earlier.”

Item No. 7. – Appointment of Mr. Pesi S. Patel as Independent Director

To appoint Mr. Pesi S. Patel as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including and statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement with Stock Exchange,



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Mr. Pesi S. Patel (DIN: 00016091), who was appointed as Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation to hold office for 5 (Five) consecutive years for a term upto the Annual General Meeting for the Financial Year 2018-19 or September 29, 2019 whichever is earlier.”

Item No. 8. – Appointment of Mr. Shailesh S. Mody as Independent Director

To appoint Mr. Shailesh S. Mody as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution :

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including and statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement with Stock Exchange, Mr. Shailesh S. Mody (DIN: 00785135), who was appointed as Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation to hold office for 5 (Five) consecutive years for a term upto the Annual General Meeting for the Financial Year 2018-19 or September 29, 2019 whichever is earlier.”

Item No. 9. – Appointment of Mr. Mahalingam Narayanan as Independent Director

To appoint Mr. Mahalingam Narayanan as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution :

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including and statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement with Stock Exchange, Mr. Mahalingam Narayanan (DIN: 00159288), who was appointed as Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation to hold office for 5 (Five) consecutive years for a term upto the Annual General Meeting for the Financial Year 2018-19 or September 29, 2019 whichever is earlier.”

Item No. 10. – Authorization to the Board of Directors to borrow moneys on behalf of the Company

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT in supersession of all earlier resolutions passed in this regard and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent be and is hereby accorded to the Board of Directors or any Committee constituted by the Board (hereinafter referred to as ‘the Board’) to borrow, from time to time, whether by way of working capital facilities/term loans/corporate loans/debentures/other credit facilities in Indian rupees and/or foreign currency at its discretion, either from bank(s), financial institution(s), body corporate(s) or any other lending institution(s) or person(s), whether in India or abroad (including moneys that may be borrowed by issue of debentures whether convertible or not, zero coupon bonds or such other securities as the Board in its absolute discretion may determine) on such terms and conditions as may be considered suitable by the Board, notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate of the paid up capital and free reserves, that is to say, reserves not set apart for any specific purpose, of the Company, provided that the maximum outstanding amount of moneys so borrowed by the Board shall at any time not exceed Rs. 500 Crores (Rupees Five Hundred Crores only); RESOLVED FURTHER THAT the Board be and is hereby authorized to take such actions and steps, including delegation of authority, as may be necessary and to settle all matters arising out of and incidental thereto and to sign and execute on behalf of the Company such agreements, deeds, applications, documents and writings as may be required in this regard and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.”

Item No. 11. – Authorization to the Board of Directors to create mortgage/pledge/ hypothecation/charge on all or any of the movable/immovable properties of the Company

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT in supersession of all earlier resolutions passed in this regard and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent be and is hereby accorded to the Board of Directors or any Committee constituted by the Board (hereinafter referred to as ‘the Board’) for creating the mortgage/pledge/hypothecation/charge on the whole or part of the Company’s land, building thereon, machinery, stocks, book debts and all other assets whether movable or immovable of the Company situated in India or abroad in one or more tranches and/or conferring power to enter upon and take possession of the assets of the Company in certain events to or in favour of any of the financial institution(s), bank(s), body corporate(s), lending institution(s) or person(s) to secure the working capital facilities/term

loans/corporate loans/debentures/other credit facilities raised/to be raised by the Company from such financial institution(s), bank(s), body corporate(s), lending institution(s) or person(s) together with interest at the respective agreed rates, compound/additional interest, commitment charge, charges on prepayment or on redemption, costs, charges, expenses and all other moneys payable/to be payable to the financial institution(s), bank(s), body corporate(s), lending institution(s) or person(s) in terms of their respective agreements/letters of sanction/memorandum of terms and conditions, entered into/to be entered into by the Company in respect of the said working capital facilities/term loans/corporate loans/debentures/ other credit facilities up to a sum not exceeding Rs. 500 Crores (Rupees Five Hundred Crores only) at any time;

RESOLVED FURTHER THAT the Board be and is hereby authorized to take such actions and steps as may be necessary and to settle all matters arising out of and incidental thereto and to finalize the form, extent and manner of and the documents and deeds, as may be applicable, for creating the mortgage/pledge/hypothecation/ charge on the whole or part of the Company's land, building thereon, machinery, stocks, book debts and all other assets whether movable or immovable of the Company situated in India or abroad on such terms and conditions as may be decided by the Board in consultation with the lenders and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

Item No. 12. – Approval for keeping the Register of Members and copies of Annual Returns along with annexures in Mumbai at the office of Registrar and Share Transfer Agents of the Company

To consider and, if thought fit, to pass, with or without modification, the following Resolution as a Special Resolution :

"RESOLVED THAT pursuant to the provisions of Section 94 of the Companies Act, 2013 read with Rule 15 of the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent be and is hereby accorded for keeping the Register of Members together with Index of Members, the copies of all annual returns along with the copies of certificates and documents required to be annexed therewith in Mumbai at the office of M/s Link Intime India Pvt. Ltd., the Registrar and Share Transfer Agents of the Company situated at C-13, Pannalal Silk Mills Compound, L. B. S. Road, Bhandup (W), Mumbai – 400 078 instead of keeping the same at the Registered Office of the Company; RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary, proper or expedient to give effect to this resolution."

Item No. 13. – Adoption of a new set of Articles of Association of the Company in alignment with the Companies Act, 2013

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or reenactment thereof, for the time being in force), the consent be and is hereby accorded for adoption of the draft regulations contained in the new set of Articles of Association of the Company, in substitution and to the entire exclusion, of the regulations contained in the existing set of Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary, proper or expedient to give effect to this resolution."

For and on behalf of the Board

Place : Mumbai
Date : August 13, 2014

Arvind S. Herwadkar
Director

NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY AT THE REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING 50 (FIFTY) AND HOLDING IN THE AGGREGATE NOT MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.**
2. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board/ Governing Body resolution authorizing such representatives to attend and vote on their behalf at the Annual General Meeting.
3. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
4. Members / proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
5. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the meeting.



6. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the meeting.
7. The Register of Members and the Share Transfer Books of the Company under the physical mode will remain closed from Friday, September 19, 2014 to Tuesday, September 30, 2014 (both days inclusive).
8. As a measure of economy, the Company does not distribute the copies of the Annual Report at the venue of the meeting. Members therefore are requested to bring their copies with them.
9. Members desirous of obtaining any information concerning the accounts of the Company are requested to send their queries to the Company's Secretarial Office at Chander Mukhi, Nariman Point, Mumbai 400 021 at least 15 days before the date of the meeting, so that the information required by the members may be made available at the meeting.
10. Information required to be furnished under Clause 49 of the Listing Agreement entered into with Stock Exchange regarding Directors to be re-appointed / appointed:-

| | |
|--------------------------------|---|
| Name of the Director | Mr. A.B.M Good |
| Date of Birth | 18/04/1933 |
| Director Identification Number | 00189453 |
| Date of Joining the Board | 30/11/1993 |
| Profile of the Director | Mr. Good, he is a Fellow of the Institute of Directors and a Fellow of Chartered Institute of Public Relations. After a short stint as management trainee with Distillers Group, a spell in journalism spent five years, first as a Public Relations Officer and later in due course elevated to a Group marketing role with the then largest independent airline group in U.K. In this capacity, he was involved in setting up a tour operating subsidiary. After forming what later became the London Stock Exchange listed Good Relations Group Plc., he acted as a consultant to Laker and the parent company of British Caledonian Airways for a few years reporting directly to the Chief Executive. In 1971, he was appointed on the Board of Cox & Kings Limited, U.K. and subsequently became the Chairman in 1975. Mr. Good does not hold any share in the Company. |

Mr. Good is on the Board of the following other public companies and their Board Committees :

| Sr. No. | Name of the Company | Position held | Committee Membership/ Chairmanship |
|---------|---------------------|---------------|---|
| 1. | Cox & Kings Ltd. | Chairman | Remuneration/Compensation Committee, Share Transfer & Share Holder / Investors Grievance Committee, Audit Committee |

Excludes Alternate Directorship, Directorships in Private Limited Companies, Foreign Companies and their Committee Memberships. Membership and Chairmanship of Audit Committees and Investor Grievance Committees of only public Companies have been included in the aforesaid table.

| | |
|--------------------------------|--|
| Name of the Director | Mr. Mahendra Lodha |
| Date of Birth | 04/08/1956 |
| Director Identification Number | 00012920 |
| Date of Joining the Board | 13/05/1998 |
| Profile of the Director | Mr. Mahendra Lodha, B.COM.(HONS.), LL.B., F.C.A. is a practicing Chartered Accountant, senior partner of Mehta Lodha & Co., corporate advisory services and specialized in the field of Corporate Financing and designing rehabilitation packages of sick industrial companies. Mr. Lodha does not hold any share in the Company. He is a member of the audit committee of the Company. |



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Mr. Lodha is on the Board of the following public companies and their Board Committees :

| Sr. No. | Name of the Company | Position held | Committee Membership/ Chairmanship |
|---------|--------------------------------|---------------|--|
| 1 | Steelco Gujarat Ltd. | Director | Audit Committee/Remuneration Committee/Shareholders Committee- Member |
| 2 | Nitrex Chemicals India Limited | Director | - |
| 3 | Rama Petrochemicals Ltd. | Director | Audit Committee/Remuneration Committee/Shareholders Committee – Chairman |
| 4 | Rainbow Denim Ltd. | Director | Audit Committee/Remuneration Committee – Member, Chairman |
| 5 | Bihar Hotels Ltd. | Director | - |
| 6 | Kalyanpur Cements Limited | Director | Audit Committee – Member |
| 7 | Amul Exim Limited | Director | - |
| 8 | Parxit Industries Ltd. | Director | - |

Excludes Alternate Directorship, Directorships in Private Limited Companies, Foreign Companies and their Committee Memberships. Membership and Chairmanship of Audit Committees and Investor Grievance Committees of only public Companies have been included in the aforesaid table.

| | |
|--------------------------------|---|
| Name of the Director | Mr. Arvind S. Herwadkar |
| Date of Birth | 03/09/1935 |
| Director Identification Number | 00265493 |
| Date of Joining the Board | 26/03/2003 |
| Profile of the Director | Mr. Arvind S. Herwadkar, he is a Mechanical Engineer from VJTI Mumbai. He was employed with OTIS Elevators for over 4 decades in various senior positions before retiring as General Manager. Thereafter, he was Consultant and Dialogue Administrator to OTIS Elevators for 3 years. He was also Consultant to Schindler, a world-renowned Elevator & Escalator Company. Mr. Herwadkar also worked as Senior Vice President with United White Metal Ltd. for 3 years. He is presently working as Director & Senior Consultant with Lerch Bates Pvt. Ltd., a world renowned consultancy firm. He is also a member of the Bureau of Indian Standards, IEEMA & PALEA (Asia Pacific). Mr. Herwadkar has vast technical and administrative experience. Mr. Herwadkar does not hold any share in the Company. He is a Director of V Hotels Ltd. He is member of Audit Committee and Investors Grievance Committee of the Company. |

| | |
|--------------------------------|---|
| Name of the Director | Mr. Pesi S. Patel |
| Date of Birth | 31/03/1952 |
| Director Identification Number | 00016091 |
| Date of Joining the Board | 26/09/2003 |
| Profile of the Director | Mr. Pesi S. Patel is an entrepreneur for over 25 years having business interests and experience in engineering, manufacturing, trading and exports of services and goods. Mr. Pesi S. Patel holds 15,200 shares in the Company. |

Mr. Patel is on the Board of the following other public company and their Board Committees :

| Company | Position | Committee Membership held |
|--------------------|----------|---|
| Cox And Kings Ltd. | Director | Remuneration / Compensation Committee, Share Transfer & Share Holder / Investors Grievance Committee, Audit Committee |



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Excludes Alternate Directorship, Directorships in Private Limited Companies, Foreign Companies and their Committee Memberships. Membership and Chairmanship of Audit Committees and Investor Grievance Committees of only public Companies have been included in the aforesaid table.

| | |
|--------------------------------|---|
| Name of the Director | Mr. Shailesh S. Mody |
| Date of Birth | 20/09/1962 |
| Director Identification Number | 00785135 |
| Date of Joining the Board | 15/06/2004 |
| Profile of the Director | Mr. Shailesh S. Mody is an entrepreneur for over two decades and is in business related to interior designing and construction. Mr. Shailesh S. Mody does not hold any share in the Company. Mr. Mody is also Director of V Hotels Ltd. |

| | |
|--------------------------------|---|
| Name of the Director | Mr. Mahalingam Narayanan |
| Date of Birth | 01/07/1945 |
| Director Identification Number | 00159288 |
| Date of Joining the Board | 31/05/2011 |
| Profile of the Director | Mr. Mahalingam Narayanan was appointed as an Additional Director (Independent) of the Company by the Board of Directors in its meeting held on May 31, 2011 and holds office as such till the ensuing Annual General Meeting. Mr. Mahalingam Narayanan is a post graduate in Commerce (M.com) and holds a Degree in Law, besides a Diploma in Business Management (DBM). He is also a Certified Associate of Indian Institute of Bankers(CAIB). He has over 40 years of experience and knowledge in the field of Banking and Finance. He has served as Chairman and Managing Director with Tourism Finance Corporation of India Limited between July 2004 and September 2006. Prior to his tenure as CMD, he did serve as a Managing Director from October 1997 till June 2004. He had also occupied the position of General Manager, Industrial Finance Corporation of India and held senior management positions in IFCI and Bank of Baroda. Mr. Narayanan started his professional career with Reserve Bank of India in June 1964. The Institute of Economic Studies, New Delhi, conferred him with UDYOG Rattan Award in the year 2005 for excellence in performance. |

He does not hold any share of the Company. Mr. Narayanan is on the Board of the following other public companies and their Board Committees:

| Sr. No. | Name of the Company | Position held | Committee Membership/ Chairmanship |
|---------|------------------------------|----------------------|--|
| 1 | Cox & Kings Ltd. | Independent Director | Chairman of Audit Committee, Member- Remuneration/ Compensation Committee, Share Transfer & Share Holder / Investors Grievance Committee |
| 2 | Gujarat Hotels Ltd. | Independent Director | Member of Audit Committee |
| 3 | Pride Hotels Ltd. | Chairman | Chairman of Audit Committee |
| 4 | Royale India Rail Tours Ltd. | Independent Director | Chairman of Audit Committee |
| 5 | Neesa Leisure Limited | Chairman | Chairman of Audit Committee |

Excludes Alternate Directorship, Directorships in Private Limited Companies, Foreign Companies and their Committee Memberships. Membership and Chairmanship of Audit Committees and Investor Grievance Committees of only public Companies have been included in the aforesaid table.

- Members wishing to claim dividends, which remain unclaimed, are requested to correspond with the Company, at the Company's Corporate Office at Chander Mukhi, Nariman Point, Mumbai – 400 021. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124 of the Companies Act, 2013 (Section 205A of the erstwhile Companies Act, 1956), be transferred to the Investor Education and Protection Fund. Kindly note that after such date, the members will not be entitled to claim such dividend.

Financial Year Ended
March 31, 2007

Due date of transfer
October 28, 2014

12. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form shall submit their PAN details to the Company.
13. Electronic copy of the Notice convening the 27th Annual General Meeting of the Company, inter alia, indicating the process of e-voting along with the Attendance slip and Proxy form is being sent to the members whose email addresses are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for hard copy of the same. For members who have not registered their email addresses, physical copies of the Notice convening the 27th Annual General Meeting of the Company, inter alia, indicating the process of e-voting along with the Attendance slip and Proxy form is being sent to the members in the permitted mode.

For and on behalf of the Board

Place : Mumbai
Date : August 13, 2014

Arvind S. Herwadkar
Director

EXPLANATORY STATEMENT AS REQUIRED BY SECTION 102 OF THE COMPANIES ACT, 2013

As required by Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out all material facts relating to the business under item no.4 to 13 of the accompanying Notice dated August 13, 2014.

Item No. 4:

The provisions of Section 149(13) and Section 152(6) & (7) in respect of retirement of Directors by rotation shall not be applicable to Managing Director.

The Board of the Company, at present, consists of 7 (Seven) Directors, out of which, 5 (Five) Directors are Independent Directors, 1 (One) is Executive Director and 1 (One) is Non-Independent Director.

Section 152 of Companies Act, 2013, provides that unless the Articles of Association of the Company provide for the retirement of all Directors at every Annual General Meeting, not less than two-third of the total number of Directors of a Public Company shall be liable to retire by rotation. The Section further provides that at every Annual General Meeting atleast one-third of such of the Directors for the time being as are liable to retire by rotation, shall retire from Office of Director.

The Members of the Company, in their 26th Annual General Meeting held on August 13, 2013, had appointed Dr. Ajit B. Kerkar as Managing Director, not liable to retire by rotation, for a period of 5 (five) years, with effect from April 01, 2013 to March 31, 2018.

Considering the provisions of Companies Act, 2013 it is proposed to change the term of retirement of Dr. Ajit B. Kerkar from 'not be liable to retire by rotation' to 'liable to retire by rotation'.

All other terms and conditions with respect to his appointment as Managing Director as approved by Members in their 26th Annual General Meeting held on August 13, 2013, shall remain unchanged.

None of the Directors or Key Managerial Personnel or their relative(s) is / are in any way concerned or interested, in passing of the above mentioned resolution, except Dr. Ajit B. Kerkar and his relatives.

A draft of the agreement proposed to be entered into by the Company with Dr. Ajit B. Kerkar is available for inspection by Members at the Registered Office between 11.00 a.m. to 1.00 p.m. on all working days of the Company upto and including the day of the Meeting.

Item Nos. 5 to 9 :

Section 149 of Companies Act, 2013 provides that Independent Directors shall hold office for a term upto 5 (Five) consecutive years. The Board of Directors has decided to appoint all the Independent Directors for a term of 5 (Five) consecutive years.

Further pursuant to the provisions of Section 149 of Companies Act, 2013, Independent Directors are not liable to retire by rotation. Therefore, considering the provisions of Companies Act, 2013, all the Independent Directors shall not be liable to retire by rotation.

Copy of the draft letters for respective appointments of Directors as Independent Directors setting out the terms and conditions are available for inspection by Members at the Registered Office between 11.00 a.m. to 1.00 p.m. on all working days of the Company upto and including the day of the Meeting.

The Board is of the opinion that the Directors possess requisite skills, experience and knowledge and it would be in the interest of the Company to continue to have their association with the Company as Directors.

Further, in the opinion of the Board, the proposed appointment of Independent Directors, fulfills the conditions specified in the Act and the Rules made thereunder and that the proposed appointment of Independent Directors is independent of the Management.



None of the Directors or Key Managerial Personnel or their relative(s) is/are in any way concerned or interested, in passing of the above mentioned resolution, except the appointee Director(s) and their relatives.

Item Nos. 10 & 11

Pursuant to the erstwhile provisions of Sections 293(1)(d) and 293(1)(a) of the Companies Act, 1956, the Board of Directors was authorized by the Members of the Company to borrow moneys on behalf of the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) in excess of the aggregate of the paid-up capital of the Company and its free reserves, subject to the total outstanding amount so borrowed not exceeding a sum of Rs. 500 Crores at any point of time and also, to secure the said borrowings by creating mortgage/charge on all or any of the movable/immovable properties of the Company.

The corresponding provisions of Sections 180(1)(c) and 180(1)(a) of the Companies Act, 2013 notified on September 12, 2013 read with the General Circular No. 04/2014 dated March 25, 2014 issued by Ministry of Corporate Affairs stipulate that the resolutions passed under erstwhile Sections 293(1)(d) and 293(1)(a) of the Companies Act, 1956 prior to September 12, 2013 will be regarded as sufficient compliance of the requirements of Sections 180(1)(c) and 180(1)(a) of the Companies Act, 2013 for a period of 1 year from the date of their notification i.e. September 12, 2013.

Accordingly, in order to remain compliant with the provisions of Sections 180(1)(c) and 180(1)(a) of the Companies Act, 2013, the consent of the Members is being sought by way of special resolutions for authorizing the Board of Directors to borrow moneys on behalf of the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) in excess of the aggregate of the paid-up capital of the Company and its free reserves, subject to the total outstanding amount so borrowed not exceeding a sum of Rs. 500 Crores at any point of time and also, to secure the same by creating the mortgage/pledge/hypothecation/charge on the whole or part of the Company's land, building thereon, machinery, stocks, book debts and all other assets of the Company whether movable or immovable, situated in India or abroad.

The Board of Directors recommends the resolutions set forth in Item Nos. 10 and 11 for the approval of the Members as special resolutions.

None of the Promoters, Directors and Key Managerial Personnel of the Company and their relatives is in any way concerned or interested, in above referred resolutions.

Item No. 12:

The Company is maintaining its Register of Members together with Index of Members (electronically) as well as the copies of annual returns and the certificates and documents required to be annexed therewith at the Registered Office of the Company at Plot No. 3, Opp. Punchkuiya Road, Bhanot Chamber, Aram Bagh, Pahar gang, New Delhi - 110 055. Pursuant to the provisions to Section 94 of the Companies Act, 2013, the Companies are permitted to keep such register, returns, certificates and documents at a place other than its Registered Office where more than 1/10th of the total number of Members entered in its Register of Members reside.

For administrative convenience and also for facilitating the inspection of such register, returns, certificate and documents by the Members of the Company, it is proposed to seek the approval of the Members by way of Special Resolution for keeping the above mentioned registers, returns, certificates and documents in Mumbai (where more than 1/10th of the Members of the Company resides) at the office of M/s Link Intime India Pvt. Ltd., the Registrar and Share Transfer Agents of the Company situated at C-13, Pannalal Silk Mills Compound, L. B. S. Road, Bhandup (W), Mumbai - 400 078.

The Board of Directors recommends the resolution set forth in Item No. 12 for the approval of the Members as a Special Resolution.

None of the Promoters, Directors and Key Managerial Personnel of the Company and their relatives is in any way concerned or interested, in above referred resolution.

Item No. 13

The Ministry of Corporate Affairs ("MCA") had on September 12, 2013 and March 26, 2014 notified most of the Sections of the Companies Act, 2013 dealing with the general working of companies except those provisions which require sanction/confirmation of the National Company Law Tribunal and certain other provisions.

Since, several regulations in the existing Articles of Association contain references to specific Sections of the Companies Act, 1956 and some regulations in the existing Articles of Association are no longer in conformity with the provisions of the Companies Act, 2013, therefore, it is considered prudent and desirable to adopt a new set of Articles of Association of the Company conforming to the provisions of the Companies Act, 2013 and rules made thereof.

Accordingly, pursuant to the provisions of Section 14 of the Companies Act, 2013, the consent of the Members is being sought by way of Special Resolution for adopting a new set of Articles of Association of the Company, in substitution for, and to the exclusion of, the existing Articles of Association of the Company.



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The attention of the Members is invited to some of the major new/amended regulations included in the proposed new set of Articles of Association as mentioned below :

- (i) The Company is authorized to exercise lien on dividend as well as bonuses declared from time to time in respect of shares over which it has exercised the lien;
- (ii) Issue of shares at discount has been prohibited excluding issue of such class of shares as may be permitted by the Companies Act, 2013;
- (iii) The time frame for issuing share certificates in respect of allotment and transfer/transmission of shares has been modified in line with the provisions of the Companies Act, 2013;
- (iv) The nominee(s) of a deceased sole Member is/are recognized as having title to the deceased's interest in the shares;
- (v) The provisions regarding quorum for the General Meeting have been amended in line with the provisions of the Companies Act, 2013;
- (vi) Regulations regarding timing and fees for inspection of the statutory registers, minutes of the general meetings and other documents/returns allowed to be inspected by Members under the provisions of the Companies Act, 2013 have been amended;
- (vii) The provisions regarding appointment, qualification, remuneration, tenure of Independent Directors and making them not liable to retire by rotation have been inserted;
- (viii) Managing Director and Executive Director(s) are made liable to retire by rotation with a provision that such retirement shall not be deemed as break in service, if they are re-appointed immediately;
- (ix) Regulation allowing an individual to be appointed as the Chairman as well as Managing Director or Chief Executive Officer of the Company at the same time has been inserted;
- (x) Regulations containing the provisions for appointment of Key Managerial Personnel have been inserted as per the provisions of the Companies Act, 2013;
- (xi) ific regulations have been inserted in respect of matters where express provisions in the Articles of Association of the Company are required/desirable to comply with the provisions of the Companies Act, 2013; and
- (xii) Regulation authorizing and empowering the Company to have such rights, privileges and authorities and to carry out such transactions as may be permitted by the Companies Act, 2013 and/or the rules made there under, in absence of any specific Article in that behalf in the new Articles of Association of the Company has been inserted.

A copy of the proposed new set of Articles of Association of the Company is available for inspection by the Members of the Company at its Corporate Office at Chander Mukhi, Nariman Point, Mumbai – 400 021 as well as its Registered Office between 11.00 a.m. to 1.00 p.m. on all working days of the Company upto and including the day of the Meeting and has also been uploaded on the Company's Website i.e. tulipstar.com.

The Board of Directors recommends the resolution set forth in Item No. 13 for the approval of the Members as a Special Resolution. None of the Promoters, Directors and Key Managerial Personnel of the Company and their relatives is in any way concerned or interested, in above referred resolution.

For and on behalf of the Board

Place : Mumbai
Date : August 13, 2014

Arvind S. Herwadkar
Director





E-VOTING INSTRUCTIONS

Pursuant to the provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014 and Clause 35A of Listing Agreement, the members are requested to cast their votes electronically on all the resolutions set forth in the Notice convening 27th Annual General Meeting to be held on Tuesday, September 30, 2014 at 3.30 p. m.. The Company has availed the services of Central Depository Services (India) Limited (CDSL) for e-voting facility. Members are requested to follow the instructions detailed below to cast their vote electronically.

The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on “Shareholders” tab.
- (iii) Now, select the “COMPANY NAME” from the drop down menu and click on “SUBMIT”
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

| | |
|------------------------|---|
| | For Members holding shares in Demat Form and Physical Form |
| PAN* | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. • In case the folio number is less than 8 digits enter the applicable number of 0’s before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field. |
| DOB# | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format. |
| Dividend Bank Details# | Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field. |

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.



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- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on 24th September 2014 (10 a.m.) and ends on 26th September 2014 (5 p. m). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 29th August 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.



DIRECTORS' REPORT

To the Shareholders,

Your Directors present herewith the Twenty Seventh Annual Report and the audited accounts of the Company for the year ended 31st March 2014.

FINANCIAL RESULTS

The financial results of the Company for the year under review are summarized below:-

| | (₹ in lacs) | |
|---|-------------|-----------|
| | 2013-2014 | 2012-2013 |
| Loss before Finance Cost & Provision for Taxes | 105.38 | 130.77 |
| Add : Finance Cost | 385.92 | 318.60 |
| Less : Provision for Income Tax (Deferred Tax) | (32.99) | 19.82 |
| Loss for the year | 458.31 | 469.19 |
| Profit and Loss Account Balance | 35.85 | 505.04 |
| Balance available for Appropriation | (422.46) | 35.85 |

On account of legal disputes, your Company did not receive any Hotel Management Fees during the year. The performance of your Company will depend on the time factor involved in the final decision in the ongoing arbitration and legal matters.

DIVIDENDS

The Directors regret their inability to recommend dividend.

FINANCE

The total borrowings stood at Rs. 41.49 crores as at March 31, 2014 as against Rs. 38.58 crores as on March 31, 2013. The increase in debt was on account of fresh borrowings, interest and payments on behalf of the Company.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

We have attempted to include discussions on all specified matters to the extent relevant.

Industry Structure and Developments

With the decisive mandate in the Lok Sabha Elections held in 2014, India is expected to have a stable, progressive and proactive government for the next 5 years. In the longer term, the growth potential is significant as evident from the continued global interest in the Indian hospitality Industry. Growth in tourism will definitely lead to boom in hotels and restaurants. Tourism is playing a pivotal role in growth of hotel industry.

Risks and Concerns

The tourism & hospitality industry is extremely sensitive to downturns in business cycles, terror attacks, epidemics, conflicts & natural calamities. The time factor for the final decision and the outcome of the final decision in the matters under litigation can have a bearing on the quality of Company's investments in other hotel owning companies and the revenue of the Company.

Business Outlook

As mentioned above the prospects of your Company is linked to the time factor involved in the final decision in the ongoing arbitration and legal matters and the ability of the Company to raise long term funds.

Internal Control Systems and their adequacy

Internal control systems have been found to be adequate commensurate with its size and nature of business. The Audit Committee periodically reviews the internal control systems in operations. In addition it has become mandatory under Section 138 of Companies Act, 2013 to appoint Internal Auditors before September 30, 2014.

Financial Performance

As a matter of prudence the Company has not accounted for interest on the amount owing by V Hotels Ltd. in which the Company holds 50 percent equity stake. The loss for the year is Rs. 458.31 lacs as against loss of Rs. 469.19 lacs for the previous year.

Human Resources

The Company sustains its endeavours on the development of people with full commitment. The Company has taken steps to provide ample opportunities to its employees to upgrade skills and competence.

Cautionary Statement

Statements in the 'Management Discussion and Analysis' section describing the Company's objectives, expectations or predictions may be 'forward looking statements' within the meaning of applicable securities laws and regulations. These statements reflect the Company's current views with respect to the future events and are subject to risks and uncertainties. Actual results could differ materially from those expressed or implied.

DIRECTORS

The Companies Act, 2013 provides that Independent Directors shall not be liable to retire by rotation. Accordingly, all the Independent Directors of your Company shall not retire by rotation pursuant to the provisions of Section 149 of Companies Act, 2013 and are proposed to be appointed for 5 (Five) consecutive years for a term upto the Annual General Meeting for the Financial Year 2018-19 or September 29, 2019 whichever is earlier.

Mr. A. B. M. Good, retires by rotation at the ensuing Annual General Meeting pursuant to the provisions of Section 152 of Companies Act, 2013 and being eligible, offers himself for re-appointment.

Dr. Ajit B. Kerkar, Managing Director of the Company, who hitherto was not liable to retire by rotation, shall now retire by rotation pursuant to the provisions of Section 152 of Companies Act, 2013.

PUBLIC DEPOSITS

During the year under review, the Company has not accepted any deposits from the public within the meaning of RBI Directions 1998.

EMPLOYEES

The Company does not have any employee covered by Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

INFORMATION AS PER SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956

The Company has no activity relating to conservation of energy or technology absorption. The Company did not have any foreign exchange earnings as well as there are no outgoings during the year.

CORPORATE GOVERNANCE

The detailed report on the various issues, including the Auditor's Report on Corporate Governance is attached to this Report.

AUDITORS & AUDITORS REPORT

Messrs. Ray & Ray, Chartered Accountants who had been appointed by the members at the Twenty Sixth Annual General Meeting as the Statutory Auditors for the year 2013-2014 would be retiring at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. The Auditors have confirmed their eligibility and willingness to accept the office, if re-appointed. The members are requested to consider their re-appointment.

With respect to the observations of the Auditors in the Annexure to their Report, the response of the management is as under :-

Clause 5 regarding Loans

Loans Granted :-

Your Company has lent Rs. 37 crores to V Hotels Ltd., in which your Company holds 50% of equity stake. In view of the present financial position of V Hotels Ltd. it was decided not to charge interest. The financial position of V Hotels Ltd. is expected to strengthen once the legal disputes are resolved.



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Loans Taken :-

The Management of your Company is in negotiations with the Lenders to have suitable repayment schedule.

Clause 10 regarding absence of internal audit system:

The present scale of operations does not warrant a formal internal audit system. However, its control procedures ensure reasonable internal checking of its financial and other records.

Clause 12 regarding delays in payment of statutory dues:

Due to liquidity problems faced by the Company, there has been a delay in payment of the statutory dues.

Clause 19 regarding terms of guarantee being prejudicial to the interest of the Company:

The prime security based on which the Banks have disbursed / guaranteed loans to the other Company is the charge on the immovable property owned by V Hotels Ltd. and the guarantee is only by way of additional security. In the opinion of the management, the market value of the immovable property charged is far in excess of the loans disbursed / guaranteed by the Banks.

RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217 (2AA) OF THE COMPANIES ACT, 1956

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Board of Directors hereby confirms that :

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures if any.
- the Company has selected and applied such accounting policy consistently and judgments and estimates are made in a reasonable and prudent manner so as to give true and fair view of the state of affairs of the Company as at the end of the financial year and loss of the Company for that period.
- proper and sufficient care has been taken for maintenance of accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing / detecting fraud and other irregularities.
- the annual accounts are prepared on a going concern basis.

ACKNOWLEDGEMENTS

Your Directors take this opportunity to express their sincere gratitude to the Shareholders for their continued support.

For and on behalf of the Board

Place:Mumbai

Date : May 29, 2014

A. B. M. Good

Chairman



REPORT ON CORPORATE GOVERNANCE

Introduction :

Your Company has complied during the financial year 2013-14 in all material respects with the features of the Corporate Governance Code as per Clause 49 of the Listing Agreement with the Stock Exchange.

A report on the implementation of the Corporate Governance Code of the Listing Agreement by the Company is furnished below:-

1. Company's Philosophy on Corporate Governance

Corporate Governance is the combination of voluntary practices and compliance with laws and regulations leading to effective control and management of the organisation. Good Corporate Governance practices lead to long-term shareholder value and enhanced the interest of other stakeholders.

2. Board of Directors

Your Board presently comprises of 1 executive director and 6 non-executive directors out of which 5 are independent directors. The Board of the Company met 4 times during the last financial year on May 29, 2013, August 12, 2013, November 13, 2013, and February 13, 2014.

Attendance of each Director at the Board Meetings in 2013-14 and last Annual General Meeting and number of Companies and Committees where he is Director / Member (as on March 31, 2014) :-

| Name of the Director | Category of Directorship | Director Identification Number | Attendance at last AGM held on August 13, 2013 | No. of Board Meetings attended | Number of | |
|--------------------------|--------------------------|--------------------------------|--|--------------------------------|----------------------|-------------------------------|
| | | | | | Other Directorships* | Other Committee Memberships** |
| Mr. A. B. M. Good | Non-Executive Chairman | 00189453 | Present | 4 | 1 | 3 |
| Dr. A. B. Kerkar | Managing Director | 00022311 | Absent | 4 | 2 | – |
| Mr. Mahendra Lodha | Independent & NED | 00012920 | Absent | – | 8 | 9 |
| Mr. Arvind Herwadkar | Independent & NED | 00265493 | Present | 4 | 1 | 2 |
| Mr. Pesi S. Patel | Independent & NED | 00016091 | Absent | 4 | 1 | 3 |
| Mr. Shailesh S. Mody | Independent & NED | 00785135 | Present | 4 | 2 | – |
| Mr. Mahalingam Narayanan | Independent & NED | 00159288 | Present | 4 | 5 | 8 |

*the directorship held by Directors as mentioned above, do not include alternate directorship, directorship in foreign companies, companies registered under section 25 of the Companies Act and private limited companies.

**In accordance with Clause 49, Membership /Chairmanship of only the Audit Committee and Shareholders/Investor's Grievance Committees in all public limited companies has been considered.

NED – Non Executive Director

3. Code of Conduct for Board of Directors and Senior Management :

The Company has adopted a Code of Conduct for Board of Directors and Senior Management (the Code). The Code has been communicated to the Directors and the members of the Senior Management. All Board members and Senior Management have confirmed compliance with the Code for the year ended March 31, 2014. The Annual Report contains a declaration to this effect signed by the Managing Director.

4. Audit Committee

The terms of reference of this Committee are wide enough covering matters specified for Audit Committees under the Listing Agreement.

During the financial year 2013-2014, the Audit Committee met 4 times. The attendance of the Audit Committee Members at the meetings is given below:-

| Name of the Director | Status | No. of meetings attended |
|--------------------------|----------|--------------------------|
| Mr. Mahalingam Narayanan | Chairman | 4 |
| Mr. Mahendra Lodha | Member | Nil |
| Mr. A. B. M. Good | Member | 4 |
| Mr. Arvind S. Herwadkar | Member | 4 |
| Mr. Shailesh S Mody | Member | 4 |

5. Remuneration Committee

In the absence of any remuneration to the Managing Director, the Company has not constituted a Remuneration Committee. All Directors, except the Managing Director, were Non-Executive Directors for the financial year 2013-14. The Directors are paid only sitting fees for attending Board Meetings. Details of such sitting fees paid to Directors for the year ended March 31, 2014 are as follows:-

| Name of the Director | ₹ |
|--------------------------|---------------|
| Mr. A. B. M. Good | 8,000 |
| Dr. Ajit B. Kerkar | 4,000 |
| Mr. Mahendra Lodha | Nil |
| Mr. Arvind S. Herwadkar | 8,000 |
| Mr. Pesi S. Patel | 4,000 |
| Mr. Shailesh S. Mody | 8,000 |
| Mr. Mahalingam Narayanan | 8,000 |
| Total | 40,000 |

6. Investor Grievance Committee

The Company's Registrar, Link Intime India Pvt. Ltd. and the Company had received 3 letters during the financial year 2013-14, dealing with various subjects such as revalidation, change of address, registration of nominations, non-receipt of share certificates, non-receipt of stickers, non-receipt of demat credit, Power of Attorney registration, registration of signatures, etc. All these were resolved to the satisfaction of the Shareholders / Investors.

7. General Body Meetings

The location and time of the Annual General Meetings held during the last 3 years are as follows :

| Annual General Meeting | Date | Venue | No. of Special Resolutions passed |
|------------------------|--------------------|--|-----------------------------------|
| 24th AGM | September 30, 2011 | The Deputy Speaker Hall, Constitution Club, Rafi Marg, New Delhi – 110 001 | Nil |
| 25th AGM | September 27, 2012 | The Deputy Speaker Hall, Constitution Club, Rafi Marg, New Delhi – 110 001 | Nil |
| 26th AGM | August 13, 2013 | The Deputy Speaker Hall, Constitution Club, Rafi Marg, New Delhi – 110 001 | 1 |

8. Disclosures

- The disclosures on related party are as per Accounting Standard 18 issued by the Institute of Chartered Accountants of India and are given in Note No. 23 of the Notes to Accounts.
- No penalties, strictures have been imposed on the Company by SEBI or Stock Exchanges or any other statutory authority on any matter related to capital markets for non compliance by the Company.
- In line with the requirements of SEBI, Secretarial Audit is carried out on a quarterly basis by a firm of practicing Company Secretaries to confirm that the aggregate number of equity shares of the Company held in NSDL, CDSL and in physical form tally with the total number of issued / paid-up, listed and admitted capital of the Company.
- Though there is no formal Whistle Blower Policy, the Company takes cognizance of complaints made and suggestions given by the employees and others. Even anonymous complaints are looked into and whenever necessary, suitable corrective steps are taken. No employee of the Company has been denied access to the Audit Committee of the Board of Directors of the Company.



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- Pursuant to the provisions of sub-clause V of the revised Clause 49 of the Listing Agreement with the Stock Exchange, the Managing Director (CEO) have issued a certificate to the Board, for the Financial Year ended March 31, 2014.

9. Means of Communication

- The annual, half-yearly and quarterly results are submitted to the Stock Exchanges in accordance with the Listing Agreement and published in newspapers like Parivartan Bharati and Around the Times in New Delhi and Free Press Journal and Navshakti in Mumbai.
- Management Discussion & Analysis forms part of this Annual Report.
- The quarterly financial results, shareholding pattern, annual report, etc. are available on the website www.tulipstar.com.

10. General Shareholder Information

| | |
|---|--|
| AGM Date, Time and Venue | Tuesday, September 30, 2014 at 3.30 hrs at The Deputy Speaker Hall Constitution Club, Vithal Bhai Patel House, Rafi Marg, New Delhi - 110 001. |
| Financial Year | April 01, 2014 to March 31, 2015 |
| Tentative :- | |
| First Quarter Results/Limited Review Report | Second week of August 2014 |
| Half Yearly Results/Limited Review Report | Second week of November 2014 |
| Third Quarter Results/Limited Review Report | Second week of February 2015 |
| Audited Results for the year ended March 31, 2015 | May 2015 |
| Dates of Book Closure | Friday, September 19, 2014 to Tuesday, September 30, 2014 (both days inclusive) |
| Listing on Stock Exchanges | The Stock Exchange, Mumbai. The listing fees have been paid for the financial year 2014-15. SEBI had issued a circular No. MRD/DoP/SE/DEP/CIR dated January 28, 2005, stating that issuer Companies are required to pay custodial fees to the depositories with effect from April 01, 2005. Accordingly, the Company has paid custodial fees for the year 2014-15 to National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). |
| Stock Code – Physical | 531088 (BSE) |
| Demat ISIN | INE379C01016 |
| Company Identification No | L78499DL1987PLC029184 |
| Registrars & Transfer Agents | Link Intime India Pvt.Ltd. C-13, Pannalal Silk Mills Compound, L.B.S. Road, Bhandup (W), Mumbai - 400 078. |
| Person to contact | Mr. Mahadevan Iyer |
| Share Transfer System | The Company's Registrar & Transfer Agent, Link Intime India Pvt. Ltd process share transfers normally within a maximum period of 30 days from the date of receipt, including dispatch of share certificates, if all the required documentation is complete in all respects. The power of approving individual transfers up to 10,000 shares has been delegated to the Registrar & Transfer Agent. Company's Registrar & Transfer Agent approve transfers every week. Pursuant to Clause 47 (c) of the Listing Agreement with the Stock Exchange, certificates, on half-yearly basis, have been issued by a Company Secretary-in-Practice for due compliance of share transfer formalities by the Company. |





Market Price Data

High / low during the year / month in the financial year 2013-2014

Share price on the Stock Exchange, Mumbai (Face Value ₹10)

| Months | High (₹) | Low (₹) |
|----------------|----------|---------|
| April 2013 | 130.00 | 118.80 |
| May 2013 | 123.90 | 112.75 |
| June 2013 | 112.00 | 102.00 |
| July 2013 | 109.20 | 104.00 |
| August 2013 | 103.75 | 90.00 |
| September 2013 | 98.30 | 87.00 |
| October 2013 | 112.55 | 90.00 |
| November 2013 | 104.55 | 94.85 |
| December 2013 | 102.90 | 87.50 |
| January 2014 | 99.75 | 84.00 |
| February 2014 | 92.55 | 81.80 |
| March 2014 | 93.40 | 76.10 |

Distribution of Shareholding as on March 31, 2014

| Shareholding of nominal value of ₹ 10 | No. of Shareholders | % of Shareholders | No. of Shares Held | % of Shareholding |
|---------------------------------------|---------------------|-------------------|--------------------|-------------------|
| 1 – 5000 | 1,457 | 89.44 | 1,55,266 | 3.37 |
| 5001 – 10000 | 69 | 4.24 | 54,605 | 1.18 |
| 10001 – 20000 | 32 | 1.96 | 48,633 | 1.05 |
| 20001 – 30000 | 14 | 0.86 | 36,843 | 0.80 |
| 30001 – 40000 | 12 | 0.74 | 43,503 | 0.94 |
| 40001 – 50000 | 4 | 0.25 | 18,890 | 0.41 |
| 50001 – 100000 | 9 | 0.55 | 68,880 | 1.50 |
| 100001 & above | 32 | 1.96 | 41,83,380 | 90.75 |
| Total | 1,629 | 100.00 | 46,10,000 | 100.00 |

Shareholding pattern as of March 31, 2014

| Particulars | No. of equity shares | | | % of shareholding |
|---------------------------------------|----------------------|----------|-----------|-------------------|
| | Demat | Physical | Total | |
| Promoters & Persons Acting in Concert | 26,26,500 | – | 26,26,500 | 56.97 |
| Bodies Corporate | 8,57,550 | 2,800 | 8,60,350 | 18.66 |
| NRI's / OCB's | 28,374 | – | 28,374 | 0.61 |
| Public | 10,10,480 | 84,296 | 10,94,776 | 23.76 |
| Total | 45,22,904 | 87,096 | 46,10,000 | 100.00 |

11. Insider Trading :

The code of internal procedure of conduct and code of corporate disclosure practices as suggested under the SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended by the Notification of 20th February 2002 is applicable to all Directors as well as to all such employees of the Company who are expected to have access to unpublished price sensitive information relating to the Company.

12. Address for Correspondence :

Shareholders Correspondence should be addressed to Company's Registrar & Share Transfer Agents, Link Intime India Pvt. Ltd at the address mentioned in this Annual Report. Shareholders holding shares in electronic mode should address all their correspondence to the respective Depository Participants.

Secretarial Office :

Mr. Sanjeev D. Shenvi,
Company Secretary
Tulip Star Hotels Ltd.
Chander Mukhi,
Nariman Point,
Mumbai – 400 021.

Registered Office :

Mr. S. N. Gupta / Mr. Suresh Arora
Tulip Star Hotels Ltd.
Plot No. 3, Opp. Punchkuiya Road
Bhanot Chamber, Aram Bagh,
Pahar gang,
New Delhi-110 055.

Corporate Office :

Mr. Ravindra G. Mohite
Accounts Manager
Tulip Star Hotels Ltd.
Chander Mukhi,
Nariman Point,
Mumbai – 400 021.

**13. Non-Mandatory Requirements :**

The Company would implement non-mandatory requirements in due course as and when required and/or deemed necessary by the Board

Place : Mumbai

Date : May 29, 2014

Dr. Ajit B. Kerkar

Managing Director

DECLARATION BY THE CEO UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING ADHERENCE TO CODE OF CONDUCT

In accordance with Clause 49 sub clause I (D) of the Listing Agreement with the Bombay Stock Exchange Ltd., I hereby confirm that all the Directors and the senior management personnel of the Company have affirmed compliance to their respective Codes of the Conduct as applicable to them for the financial year ended March 31, 2014.

Place : Mumbai

Date : May 29, 2014

Dr. Ajit B. Kerkar

Managing Director

AUDITORS' CERTIFICATE REGARDING COMPLIANCE CONDITIONS OF CORPORATE GOVERNANCE

To,

**The Members of
Tulip Star Hotels Limited**

We have examined the compliance of conditions of Corporate Governance by Tulip Star Hotels Ltd., for the year ended March 31, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

According to the information and explanations given to us and as per the records available with the Company, we state that there were no investor grievances remaining unattended/ pending for more than 30 days. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency with which the management has conducted the affairs of the Company.

For Ray & Ray

Chartered Accountants

Firm Reg. No. 301072E

Anil V. Karnik

Partner

Membership No. 31005

Place : Mumbai

Date : May 29, 2014



INDEPENDENT AUDITORS' REPORT

To,
The Members of
Tulip Star Hotels Limited

Report on Financial Statements

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

An audit involves performing procedure to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

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

Emphasis of matter:

Attention is invited to note number 20 and note number 21 of notes forming part of accounts regarding the quality of the Company's investment in an investee company as well as recoverability of its interest free loan in the said company. The Management is of the opinion that notwithstanding the ongoing financial and legal issues of the investee company, taking into account the present value of the investee company's hotel property vis-à-vis its aggregate liabilities, there is no permanent diminution in the book value of the Company's investments nor is there a threat to recovery of interest free loan in the investee company in the long run. Our opinion on the financial statements is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order 2003 ("the Order") issued by the Central Government of India in terms of Section 227 (4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required by Section 227 (4A) of the Act, we report that:
 - i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - 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, 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 Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in section 211 (3C) of the Act;

- v) on the basis of written representations received from the directors as on March 31, 2014 and taken on record by the Board of Directors we report that none of the directors is disqualified as on March 31, 2014 from being appointed as director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.



Tulip
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For **Ray & Ray**
Chartered Accountants
Firm Reg. No. 301072E

Anil V. Karnik
Partner
Membership No. 31005

Place : Mumbai
Date : May 29, 2014

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

- The Company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets.
- The fixed asset of the Company has been physically verified by the management during the year.
- During the year, the Company has not disposed off any of its fixed assets.
- The Company did not hold any inventories during the year.
- The following are the particulars of unsecured loans taken / granted by the Company from / to companies firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956:

Details of loans taken:

| No. | Party | Relationship | Amount ₹ | Year-End Balance ₹ |
|-----|----------------------|------------------|----------|--------------------|
| 1 | Cox & Kings Ltd | Common Directors | Nil | 22,31,00,000 |
| 2 | Tulip Hotels Pvt Ltd | Common Directors | Nil | 13,84,00,000 |

Interest at 15% p.a. is charged by Cox & Kings Ltd, which rate in our opinion is not prejudicial to the interest of the Company.

We are given to understand that loan from Tulip Hotels Pvt. Ltd. is interest free, which is not prejudicial to the interest of the Company.

We are given to understand by the Company's management that loan from Cox & Kings Ltd. is repayable on demand, which in our opinion is prima facie prejudicial to the interest of the Company.

According to the information and explanations given to us, loan from Cox & Kings Ltd. **is repayable on demand and others are to be repaid at the end of tenure.** Accordingly the question of regularity in repayment of principal does not arise.

Details of loans granted:

| No. | Party | Relationship | Amount ₹ | Year-End Balance ₹ |
|-----|---------------|------------------|----------|--------------------|
| 1 | V Hotels Ltd. | Common Directors | — | 37,00,00,000 |

As the above loan is interest free, we are of the opinion that terms and conditions with respect to interest in case of loans granted are prima facie prejudicial to the interest of the Company.

There are no stipulations as regards repayments of these loans. Consequently, we are unable to comment on the regularity or otherwise of repayment of principal.

In view of the above comment, the question of overdues does not arise. There is no evidence to indicate steps taken by the Company for recovery.

- In our opinion and according to the information and explanations given to us there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventories, fixed assets and with regard to the sale of goods / services.

Further, during the course of our audit, we have neither come across nor have we been informed of any instances indicative of major weaknesses in the aforesaid internal control procedures, which would require corrective action.

7. On the basis of our examination of the books of account and according to the information and explanations provided by the management we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
8. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of five lakh rupees in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices of the relevant time.
9. The Company has not accepted any deposits from the public during the year under sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975. Further, during the course of our audit, we have neither come across nor have we been informed of any order passed under the aforesaid sections by the National Company Law Tribunal during the year.
- 10. The Company does not have an internal audit system.**
11. In our opinion, clause VIII of paragraph 4 of the aforesaid Order pertaining to maintenance of cost records under section 209 (1)(d) of the Companies Act, 1956 is not applicable to the Company.

12. According to the books and records as produced before us and examined by us in accordance with generally accepted auditing practices in India and the management's representation, we are of the opinion that the Company is regular in depositing, barring investor protection fund, with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, except for Tax Deducted at source Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess are not applicable to the Company.

The following unpaid statutory dues have remained outstanding as on 31.3.2014 for a period exceeding six months from the date they became payable.

| | |
|-------------------------------|---------------------|
| Fringe Benefit Tax | ₹ 2.75 Lacs |
| Provident Fund | ₹ 1.43 Lacs |
| Service Tax | ₹ 4.93 Lacs |
| Tax Deducted at Source | ₹ 51.26 Lacs |

13. **According to the records of the Company there are no dues of Sales Tax, Income Tax, Service Tax, Customs Duty, Wealth Tax, Excise Duty / Cess which have not been deposited on account of any dispute Except the following:**

| Nature of Disputed Dues | Amount ₹ In Lacs | Forum where dispute is pending |
|--|-------------------------|---|
| Income Tax on completion of regular assessments for assessment year 2007-08 | 149.70 | Hon'ble Income Tax Tribunal, New Delhi |
| Penalty U/s 221(1) of the Income Tax Act, 1961 | 40.34 | Hon'ble Income Tax Tribunal, New Delhi |

14. The Company does not have accumulated losses as at the end of the year and the Company has incurred cash losses during the year and in the immediately preceding financial year.
15. The Company does not owe any dues to Banks/Financial Institutions and hence the clause (xi) of paragraph 4 of the aforesaid order is not applicable to the Company.
16. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures or other similar securities.
17. We are given to understand that the provisions of any special statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund / Society are not applicable to the Company.



Tulip
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18. According to the information and explanation given to us, the Company is not dealing or trading in Shares, Securities, Debentures and other securities. We also report that the Company has held the Shares, Securities, Debentures and Other Securities in its own name.
19. The Company has given the following guarantees to various banks for loans taken by V Hotels Ltd. The details of guarantees are as follows:

| Name of the Bank | Amount of Guarantee given (₹) |
|---------------------|--------------------------------|
| Consortium of Banks | 129,00,00,000 Plus interest |
| Canara Bank | 4,40,00,000 |
| ICI CI Bank | 12,40,000 |

According to the relevant records examined by us and on the basis of information and explanations given to us, as the terms and conditions of the guarantee given to consortium of banks amounting to Rs. 129 Cr. includes a clause that reserves to the consortium of banks the right to claim from the Company all sums due to them without having to first take recourse to the principal borrower, we are of the opinion that terms and conditions of the said guarantee are prejudicial to the interests of the Company.

20. According to the information and explanations given to us and on the basis of records examined by us no terms loans were raised during the year.
21. On the basis of review of utilization of funds on overall basis, the related information made available to us and as represented to us by the management, we are of the opinion that no funds raised on short term basis have been used for long term investments.
22. In our opinion and according to information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
23. Since the Company has not issued any debentures during the year, the question of creation of any security or charge does not arise.
24. The Company has not raised any money by public issue during the year.
25. During the course of our examination of books of account carried out in accordance with generally accepted auditing practices we have neither come across any instance of fraud on or by the management nor have we been informed of such case by the management.

For **Ray & Ray**
Chartered Accountants
Firm Reg. No. 301072E

Anil V. Karnik
Partner
Membership No. 31005

Place : Mumbai
Date : May 29, 2014



**Tulip
Star
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Ltd.**

BALANCE SHEET AS AT MARCH 31, 2014

| | Note No. | ₹ | ₹ | As At 31.3.2013 ₹ |
|--------------------------------------|----------|--------------|---------------------|-------------------------|
| <u>EQUITY AND LIABILITIES</u> | | | | |
| SHAREHOLDERS' FUNDS | | | | |
| Share Capital | 3 | 4,61,00,000 | | 4,61,00,000 |
| Reserves and Surplus | 4 | 8,47,35,264 | | 13,05,66,519 |
| | | | 13,08,35,264 | 17,66,66,519 |
| NON CURRENT LIABILITIES | | | | |
| Long-term borrowings | 5 | 13,84,00,000 | | 13,84,00,000 |
| Long-term provisions | 6 | 31,14,195 | | 31,03,156 |
| | | | 14,15,14,195 | 14,15,03,156 |
| CURRENT LIABILITIES | | | | |
| Short-term borrowings | 7 | 27,65,00,000 | | 24,74,00,000 |
| Short-term provisions | 8 | 2,04,00,000 | | 2,09,00,000 |
| Other current liabilities | 9 | 5,74,51,112 | | 3,69,54,360 |
| | | | 35,43,51,112 | 30,52,54,360 |
| TOTAL | | | 62,67,00,571 | 62,34,24,035 |
| <u>ASSETS</u> | | | | |
| NON CURRENT ASSETS | | | | |
| Fixed assets | 10 | 1,57,515 | | 2,12,542 |
| Non-current investments | 11 | 22,03,57,000 | | 22,06,07,000 |
| Deferred tax assets (net) | 12 | 1,56,99,139 | | 1,23,99,477 |
| Long- term Loans and Advances | 13 | 39,02,11,639 | | 38,98,69,339 |
| | | | 62,64,25,293 | 62,30,88,358 |
| CURRENT ASSETS | | | | |
| Cash and Cash equivalents | 14 | 2,15,141 | | 2,15,141 |
| Other current assets | 15 | 60,137 | | 1,20,536 |
| | | | 2,75,278 | 3,35,677 |
| TOTAL | | | 62,67,00,571 | 62,34,24,035 |
| Significant accounting policies | 2 | | | |

The accompanying notes are an integral part of the financial statements

For and on behalf of the Board

As per our Report of even date

Ray & Ray
Chartered Accountants
Firm Reg. No. 301072E

A. B. M. Good
Chairman

Dr. Ajit B. Kerkar
Managing Director

Sanjeev D. Shenvi
Company Secretary

Anil V. Karnik
Partner
Membership No. 31005

Place : Mumbai
Date : May 29, 2014

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



Tulip
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Ltd.

| | Note No. | ₹ | ₹ | Previous Year ₹ |
|--|----------|-------------|--------------------|--------------------|
| REVENUE | | | | |
| Other Income | 16 | | 2,500 | 20,000 |
| Total Revenue | | | 2,500 | 20,000 |
| EXPENSES | | | | |
| Employee Benefits Expenses | 17 | 34,88,643 | | 36,93,502 |
| Finance Cost | | 3,85,92,387 | | 3,18,60,254 |
| Depreciation | | 55,027 | | 74,250 |
| Other Expenses | 18 | 69,97,360 | | 90,12,428 |
| Total Expenses | | | 4,91,33,417 | 4,46,40,434 |
| Loss before Exceptional Items and Tax | | | 4,91,30,917 | 4,46,20,434 |
| Prior Period Adjustment | | | – | 3,17,192 |
| Excess Provision Written Back | | | – | – |
| Loss Before Tax | | | 4,91,30,917 | 4,49,37,626 |
| Tax Expenses | | | | |
| Current tax (Incl Provision for earlier years) | | | – | 1,36,30,818 |
| Deferred tax | | (32,99,662) | | (1,16,49,142) |
| | | | (32,99,662) | 19,81,676 |
| Loss for the year | | | 4,58,31,255 | 4,69,19,302 |
| Earning per equity share: | | | | |
| Basic & Diluted | 24 | | (9.94) | (10.18) |

Significant accounting policies 2
The accompanying notes are an integral part of the financial statements

For and on behalf of the Board

As per our Report of even date

Ray & Ray
Chartered Accountants
Firm Reg. No. 301072E

A. B. M. Good
Chairman

Dr. Ajit B. Kerkar
Managing Director

Sanjeev D. Shenvi
Company Secretary

Anil V. Karnik
Partner
Membership No. 31005

Place : Mumbai
Date : May 29, 2014



**Tulip
Star
Hotels
Ltd.**

CASH FLOW STATEMENT

| | 31.03.2014 ₹ | 31.03.2013 ₹ |
|---|----------------------|----------------------|
| A. Cash Flow from Operating Activities | | |
| Loss before Tax | 4,91,30,917 | 4,49,37,626 |
| adjustments for | | |
| Depreciation | 55,027 | 74,250 |
| Provision written back | — | — |
| Finance Cost | 3,85,92,387 | 3,18,60,254 |
| Interest Income | — | — |
| Dividend on long term investments (non-trade) | 2,500 | 20,000 |
| Operating Profit before working capital changes | 1,04,86,003 | 1,30,23,122 |
| (Increase)/decrease in loans and advances | (281901) | 2,82,532 |
| Increase/(decrease) trade and other payables | 4,96,07,791 | 4,45,66,976 |
| | <u>4,93,25,890</u> | <u>4,48,49,508</u> |
| Cash generated from operations | 3,88,39,887 | 3,18,26,386 |
| Direct taxes paid | 5,00,000 | — |
| Net cash generated / (used in) from operations | 3,83,39,887 | 3,18,26,386 |
| B. Cash Flow from Investing Activities | | |
| Sale of Investment | 2,50,000 | — |
| Dividend income | 2,500 | 20,000 |
| Interest Income | — | — |
| | <u>2,52,500</u> | <u>20,000</u> |
| Net cash from / (used in) Investing Activities | 2,52,500 | 20,000 |
| C. Cash Flow from Financing Activities | | |
| Interest expenses | 3,85,92,387 | 3,18,60,254 |
| Dividend Paid | — | 7,452 |
| Net cash from / (used in) Financing Activities | (3,85,92,387) | (3,18,67,706) |
| Net (decrease) / increase in cash and cash equivalents | — | (21,320) |
| Cash and cash equivalents at the beginning of the period | 2,15,141 | 236,461 |
| Cash and cash equivalents at the end of the period | 2,15,141 | 215,141 |

For and on behalf of the Board

As per our Report attached

Ray & Ray
Chartered Accountants
Firm Reg. No. 301072E

A. B. M. Good
Chairman

Dr. Ajit B. Kerkar
Managing Director

Sanjeev D. Shenvi
Company Secretary

Anil V. Karnik
Partner
Membership No. 31005

Place : Mumbai
Date : May 29, 2014

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



Tulip
Star
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Ltd.

1. Tulip Star Hotels Limited was incorporated on 19th September 1987. Currently the shares of Tulip Star Hotels Limited are listed on Bombay stock Exchange. Tulip Star Hotels Limited is in the business of Owning and Managing hotels.
2. ACCOUNTING POLICIES: -
Significant accounting policies adopted in the presentation of accounts are as under:
 - (a) Basis of Accounting
Accounts of the Company are prepared under the historical cost convention on an accrual concept in accordance with applicable accounting standards. The Company prepares its accounts as per the historical cost convention on going concern concept and on accrual basis except where otherwise stated, in accordance with normally accepted accounting principles, provisions of the Companies Act, 1956 and applicable Accounting Standards issued by the Institute of Chartered Accountants of India.
 - (b) Income
In respect of income, including interest income on loans and advances, the Company accounts for such income on an accrual basis save and except the items of revenue in regard to which there exists significant uncertainty about the ultimate realisation.
 - (c) Expenses
Expenses are accounted on accrual basis.
 - (d) Depreciation
The depreciation on owned assets is provided as per the provisions of Schedule XIV of the Companies Act, 1956, on written down value method.
 - (e) Fixed Assets
Fixed Assets are stated at cost less depreciation.
An asset is treated as impaired when the carrying amount exceeds its recoverable value. An impairment loss is charged to the Profit & Loss account in the year in which an asset is identified as impaired. The impairment loss recognized in the prior accounting period is reversed if there has been a change in the estimate of recoverable amount.
 - (f) Investments
Long term investments are stated at cost less any permanent diminution, in value, if any.
 - (g) Inventories
Stock-in-trade is valued at cost or market value whichever is lower.
 - (h) Foreign Currency Transaction
Transactions in foreign currency are accounted at the rates of exchange prevailing on the date of transactions.
Exchange differences arising on foreign currency transactions are recognized as income or expense in the period in which they arise. Monetary items denominated in foreign currency and outstanding at the Balance Sheet date are translated at the exchange rate prevailing at the year-end.
Exchange differences related to liabilities against fixed assets are transferred to the Profit and Loss Account.
Exchange differences related to restatement of other foreign exchange assets / liabilities as at the date of the balance sheet are transferred to the Profit and Loss Account.
 - (i) Employee Benefits
Provident Fund
Company's contributions paid / payable during the year to Provident Fund are recognized in the Profit and Loss Account.
Gratuity
The Company accounts for the net present value of its obligations for gratuity benefit based on independent external actuarial valuation determined on the basis of the projected unit credit method carried out annually. Actuarial gains or losses are immediately recognised in the Profit & Loss Account
Compensated Absences
The Company has a scheme for compensated absences for employees, the liability for which is determined on the basis of an actuarial valuation carried out at the end of the year.
 - (j) Assets taken on Lease
In respect of lease transactions entered into by the Company, all of which are finance leases entered into prior to April 01, 2001, lease rents paid are charged to Profit & Loss Account in accordance with the terms of lease agreement, as permitted by Accounting Standard 19 – Leases, issued by the Institute of Chartered Accountants of India (ICAI).
 - (k) Taxes
 - a) Current tax is determined in accordance with Income Tax Act, 1961.
 - b) Deferred tax is recognised for all the timing differences. Deferred tax assets are recognised when considered prudent.
 - (m) Share Issue Expenses
The expenses are charged to Profit & Loss in the year in which the shares are issued.

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

- (n) **Borrowing Costs**
Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.
- (o) **Provisions, Contingent Liabilities and Contingent Assets**
Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

3. Share Capital

| Particulars | As at 31.03.2014 | As at 31.03.2013 |
|---|------------------|------------------|
| Authorised | ₹ | ₹ |
| 100,00,000 Equity Shares of ₹10/- each | 10,00,00,000 | 10,00,00,000 |
| Issued, Subscribed and Paid-up | | |
| 46,10,000 (P.Y. 46,10,000) Equity Shares of ₹ 10/- each fully paid-up | 4,61,00,000 | 4,61,00,000 |
| Total issued, subscribed and fully paid-up share capital | 4,61,00,000 | 4,61,00,000 |

| Reconciliation of equity shares | | | | |
|--------------------------------------|------------------|-------------|------------------|-------------|
| | As at 31.03.2014 | | As at 31.03.2013 | |
| | No. of shares | ₹ | No. of shares | ₹ |
| Balance at the beginning of the year | 46,10,000 | 4,61,00,000 | 46,10,000 | 4,61,00,000 |
| Add/Less: Movement during the year | - | - | - | - |
| Balance at the end of the year | 46,10,000 | 4,61,00,000 | 46,10,000 | 4,61,00,000 |

Terms / rights attached to equity shares:

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of shareholders holding more than 5% shares in the company:

| Particulars | As at 31.03.2014 | | As at 31.03.2013 | |
|---------------------------------------|------------------|------------------------|------------------|------------------------|
| | No. of shares | % Holding In the class | No. of shares | % Holding In the class |
| Cox & Kings Limited | 14,02,500 | 30.42 | 14,02,500 | 30.42 |
| Liz Investments Pvt Ltd | 6,66,930 | 14.47 | 6,66,930 | 14.47 |
| Sneh Sadan Graphic Services Ltd. | 2,83,000 | 6.14 | 2,83,000 | 6.14 |
| Dr. Ajit B Kerkar & Elizabetha Kerkar | 2,74,070 | 5.95 | 2,74,070 | 5.95 |
| Swagat Cements Pvt Ltd | 2,60,520 | 5.65 | 2,60,520 | 5.65 |

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



Tulip
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4. Reserves & Surplus

| Particulars | As at 31.03.2014 | | As at 31.03.2013 | |
|---|------------------|--------------------|------------------|---------------------|
| | ₹ | ₹ | ₹ | ₹ |
| General Reserve | | | | |
| As per last Financial Statement | 1,59,82,181 | | 1,59,82,181 | |
| | | 1,59,82,181 | | 1,59,82,181 |
| Share Premium | | | | |
| As per last Financial Statement | 11,10,00,000 | | 11,10,00,000 | |
| | | 11,10,00,000 | | 11,10,00,000 |
| Surplus in the statement of profit and loss | | | | |
| As per last Financial Statement | 35,84,338 | | 5,05,03,640 | |
| Less :- Loss for the Year | 4,58,31,255 | | 4,69,19,302 | |
| | | (4,22,46,917) | | 35,84,338 |
| Total | | 8,47,35,264 | | 13,05,66,519 |

5. Long Term Borrowing:

| Particulars | As at 31.03.2014 | As at 31.03.2013 |
|---|---------------------|---------------------|
| | ₹ | ₹ |
| Unsecured Loans from Associated Company | 13,84,00,000 | 13,85,10,000 |
| Total | 13,84,00,000 | 13,85,10,000 |

The Interest Free Unsecured Loans are to be repaid on 31st March 2015.

6. Long Term Provisions

| Particulars | As at 31.03.2014 | As at 31.03.2013 |
|--|------------------|------------------|
| | ₹ | ₹ |
| Provision for Taxation (Net of Taxes Paid) | 2,09,529 | 2,09,529 |
| Provision for Gratuity & Leave Encashment | 29,04,666 | 28,93,627 |
| Total | 31,14,195 | 31,03,156 |

7. Short Term Borrowing

| Particulars | As at 31.03.2014 | As at 31.03.2013 |
|---|---------------------|---------------------|
| | ₹ | ₹ |
| Unsecured Loans from Associated Companies | 22,31,00,000 | 24,74,00,000 |
| Unsecured Loans from Others | 5,34,00,000 | — |
| Total | 27,65,00,000 | 24,74,00,000 |

Note on Unsecured Loans from Associated Companies

The Unsecured Loans carry Interest @15% p.a. and said loans are to be repaid on demand

8. Short Term Provisions

| Particulars | As at 31.03.2014 | As at 31.03.2013 |
|------------------------|--------------------|--------------------|
| | ₹ | ₹ |
| Provision for Taxation | 2,04,00,000 | 2,09,00,000 |
| Total | 2,04,00,000 | 2,09,00,000 |



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

9. Other Current Liabilities

| Particulars | As at 31.03.2014 | As at 31.03.2013 |
|----------------------------|--------------------|--------------------|
| | ₹ | ₹ |
| Statutory Dues Payable | 1,01,45,031 | 88,60,868 |
| Unpaid dividend | 95,948 | 95,948 |
| Due to Associate Companies | 3,45,69,918 | 2,23,51,388 |
| Others | 1,26,40,215 | 56,46,156 |
| Total | 5,74,51,112 | 3,69,54,360 |

10. Fixed Assets

| Tangible Assets | Gross Block | | | | Depreciation/Amortization | | | | Net Block | |
|-----------------------------------|-----------------------|--------------------------------|---------------------------------|-----------------------|---------------------------|--------------------------------|---------------------------------|-----------------------|-----------------------|-----------------------|
| | As at 01.04.2013 ₹ | Additions/ Adjustments ₹ | Deductions/ Adjustments ₹ | As at 31.03.2014 ₹ | As at 01.04.2013 ₹ | Additions/ Adjustments ₹ | Deductions/ Adjustments ₹ | As at 31.03.2014 ₹ | As at 31.03.2014 ₹ | As at 31.03.2013 ₹ |
| Vehicle | 5,05,247 | - | - | 5,05,247 | 2,92,705 | 55,027 | - | 3,47,732 | 1,57,515 | 2,12,542 |
| Total | 5,05,247 | - | - | 5,05,247 | 2,92,705 | 55,027 | - | 3,47,732 | 1,57,515 | 2,12,542 |
| As at 31 st March 2013 | 5,05,247 | - | - | 5,05,247 | 2,18,455 | 74,250 | - | 2,92,705 | 2,12,542 | - |

11. Non Current Investments

| Particulars | As at 31.03.2014 | As at 31.03.2013 |
|--|---------------------|---------------------|
| | ₹ | ₹ |
| Trade investment (valued at cost unless stated otherwise) | | |
| Investment in Associates - V Hotels Limited (Refer Note Nos. 19 and 20) | | |
| 22,00,000 equity shares (Prev. Year - 22,00,000) of ₹ 10/- each fully paid up | 21,99,82,000 | 21,99,82,000 |
| 2,500 Redeemable Preference Shares (Prev. Year - 5,000) of ₹ 100/- each fully paid up | 2,50,000 | 5,00,000 |
| Other Investments | | |
| The Saraswat Co-Op Bank Ltd. 2,500 (Prev. Year - 2,500) equity Shares of ₹ 10/- each fully paid up | 25,000 | 25,000 |
| The Greater Bombay Co-op Bank Ltd. 4000 (Prev. Year - 4000) equity Shares of ₹ 25/- each fully paid up | 1,00,000 | 1,00,000 |
| Total | 22,03,57,000 | 22,06,07,000 |

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



**Tulip
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12. Deferred Tax Assets (Net)

| Particulars | As at 31.03.2014 | As at 31.03.2013 |
|--|--------------------|--------------------|
| | ₹ | ₹ |
| Deferred Tax Assets are attributable to the following items | | |
| Provision for Gratuity | 3,87,590 | 3,72,324 |
| Provision for Leave Encashment | 5,19,578 | 5,31,433 |
| Depreciation | 15,821 | 6,024 |
| Expenses allowable for tax purposes on payment | 1,47,76,150 | 1,14,89,696 |
| Total | 1,56,99,139 | 1,23,99,477 |

13. Long Term Loans and Advances

| Particulars | As at 31.03.2014 | As at 31.03.2013 |
|---|---------------------|---------------------|
| | ₹ | ₹ |
| Due from Associated Company V Hotels Limited Unsecured, considered good | 37,00,00,000 | 37,00,00,000 |
| 'Sundry Deposits Unsecured, considered good | 1,16,19,316 | 1,16,19,316 |
| Loans to employees | 70,04,573 | 66,62,273 |
| Advances recoverable in cash or kind Unsecured, considered good | 15,87,750 | 20,87,750 |
| Advances recoverable in cash or kind Unsecured, considered Doubtful | 15,00,000 | 15,00,000 |
| Less Provision for Doubtful Advances | 15,00,000 | 15,00,000 |
| Total | 39,02,11,639 | 38,98,69,339 |

14. Cash and bank balances

| Particulars | As at 31.03.2014 | As at 31.03.2013 |
|------------------------------------|------------------|------------------|
| | ₹ | ₹ |
| Cash and cash Equivalents | | |
| Balance in Current Accounts | 1,19,193 | 1,19,193 |
| Balance in Unpaid Dividend Account | 95,948 | 95,948 |
| Total | 2,15,141 | 2,15,141 |

15. Other Current Assets

| Particulars | As at 31.03.2014 | As at 31.03.2013 |
|------------------|------------------|------------------|
| | ₹ | ₹ |
| Prepaid Expenses | 60,137 | 1,20,536 |
| Total | 60,137 | 1,20,536 |



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

16. Other Income

| Particulars | Current Year | Previous Year |
|--------------|--------------|---------------|
| | ₹ | ₹ |
| Dividend | 2,500 | 20,000 |
| Total | 2,500 | 20,000 |

17. Employee Benefits Expenses

| Particulars | Current Year | Previous Year |
|---|------------------|------------------|
| | ₹ | ₹ |
| Salaries, bonus, etc. | 29,64,706 | 31,14,385 |
| Contribution to Provident & Other Funds | 3,30,780 | 3,20,340 |
| Gratuity | 49,405 | 1,37,229 |
| Staff Welfare | 1,43,752 | 1,21,548 |
| Total | 34,88,643 | 36,93,502 |

18. Other Expenses

| Particulars | Current Year | Previous Year |
|---|------------------|------------------|
| | ₹ | ₹ |
| Printing and Stationery | 75,008 | 73,423 |
| Travelling and Conveyance | 1,43,081 | 3,53,064 |
| Communication Expenses | 1,32,052 | 1,32,852 |
| Auditors' Remuneration – (see note below) | 1,15,169 | 1,15,169 |
| Professional Fees | 35,49,357 | 50,36,913 |
| Directors Sitting Fees | 40,000 | 30,000 |
| Advertisement | 1,53,049 | 1,47,698 |
| Electricity expenses | 7,26,453 | 8,43,854 |
| Vehicle Expenses | 13,85,493 | 13,70,967 |
| Service Tax | 3,38,973 | 4,73,759 |
| Sundry Advances Written Off | – | 65,636 |
| Sundry Expenses | 3,38,725 | 3,69,093 |
| Total | 69,97,360 | 90,12,428 |

Note: - Auditors' Remuneration includes

| Particulars | Current Year | Previous Year |
|---------------|-----------------|-----------------|
| | ₹ | ₹ |
| Audit Fees | 64,607 | 64,607 |
| Other Matters | 50,562 | 3,36,415 |
| Total | 1,15,169 | 4,01,022 |

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



Tulip
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19. The Company is a confirming party to the Master Asset Purchase Agreement (MAPA) entered into between V Hotels Ltd. (VHL) and Siddhivinayak Realities (P) Ltd. (SRPL) on 31.03.2005. The Company was required to place and has placed its entire shareholding in VHL in escrow for the then contemplated transaction, in order to secure the advance amount of Rs. 73,00,51,960/- paid by said SRPL to VHL. The said MAPA was subject of arbitration before Sole Arbitrator Mr. Justice S.N. Variava (Retd.) duly appointed by Hon'ble Bombay High Court. The award passed by the Sole Arbitrator on 13th July 2011 holding that SRPL has committed a repudiatory breach and hence is in default and therefore MAPA stands cancelled has been set aside by the Learned Single Judge of the Hon'ble Bombay High Court in an arbitration application filed by SRPL u/s 34 of the Arbitration and Conciliation Act, 1996 vide his order dated 10th May 2013. As per the said order, the Learned Single Judge has only set aside the award passed by the Ld. Sole Arbitrator and has not passed any orders-decreeing the counter claims of SRPL. In view of this, the Management is of the opinion that the value of shareholding of the Company in V Hotels remains undiminished as the rights, title and interest of V Hotels in its hotel property is not adversely affected by the decision of the Learned Single Judge. The Company has moved an appeal before the Hon'ble Division Bench of Hon'ble Bombay Court challenging the order dated 10th May 2013. The said appeal has been admitted on 3rd February 2014 and presently pending for final hearing and disposal.
20. The Company holds long term investments of Rs.21,99,82,000 in the equity shares of V Hotels Ltd. whose hotel Tulip Star, Mumbai has suspended operations since April, 2005 due to operational and financial constraints. However, in view of the Management, the Hotel has the potential to resume viable commercial operations and also in view of the fact that the management of V Hotels Ltd. has conveyed its intention to put into implementation its business plan in respect of the said Hotel on resolution of their operational and financial issues, the Management is of the view that its investment in V Hotels Ltd. retains its strategic value.
21. During the year one of the secured lenders of V Hotels Ltd. M/s Assets Reconstruction Company (India) Limited (ARCIL) has initiated action under the Securitization & Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARAESI Act) for recovery of its dues. V Hotels Ltd. has successfully challenged this action of ARCIL before the Hon'ble Debt Recovery Tribunal, Mumbai and obtained a stay thereon. The Management of the Company has evaluated the effect of this development on its investment in the equity of V Hotels Ltd. as well as on its exposure of Rs.37,00,00,000 by way of Interest Free Loan in that company and is of the opinion that as the inherent value of the underlying asset of V Hotels Ltd., being the hotel property, has remained intact and its estimated market / realizable value being presently in excess of its aggregate liabilities, its investment in V Hotels Ltd. has not suffered permanent diminution nor is there a present threat to the recovery of its ICDs in V Hotels Ltd.
- 22. CONTINGENT LIABILITIES :-**
- No provision is considered in respect of income tax demands aggregating to Rs. 198.60 lacs (Previous Year Rs. 198.60 lacs) for earlier assessment years under various stages of appeal. Out of the above, the Company has paid the demands to the extent of Rs.6.16 lacs up to March 31, 2014 (Previous Year Rs.6.16 lacs).
 - The Company has given guarantees to banks and a finance company for repayment of loans and all amounts payable thereon in consideration of loans aggregating to Rs.13,352 lacs (Previous Year Rs. 13,352 lacs) disbursed/guaranteed by them to V Hotels Ltd., the erstwhile wholly owned subsidiary of the Company.
 - Penalty notice u/s 221(1) of the Income Tax Act 1961 for Rs. 40.34 Lacs for the non payment of Income Tax dues.
- 23. RELATED PARTY DISCLOSURES :**
- Related parties with whom transactions have taken place during the year.
Associates: -
Cox & Kings Ltd.
Tulip Hotels Pvt. Ltd.
V Hotels Ltd.
Tulip Star Leisure & Health Resorts Ltd.
ABK Enterprises Pvt. Ltd.
- Key management Personnel: -**
Mr. A. B. M. Good
Dr. Ajit B. Kerkar
Mr. M. Narayanan
Mr. Mahendra Lodha
Mr. Arvind S. Herwadkar
Mr. Pesi S. Patel
Mr. Shailesh S. Mody



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

b) Transactions with Related Parties:

| | Associates ₹ | Key Management Personnel ₹ |
|---|--------------------------------|----------------------------------|
| Interest Payment | 3,85,92,387 (3,18,60,254) | |
| Director's Sitting Fees | | 40,000 (30,000) |
| Inter Corporate Deposits Outstanding as of March 31, 2014 | 37,00,00,000 (37,00,00,000) | |
| Advances received | 1,12,20,287 (82,42,521) | |
| Advances paid | 3,88,94,810 (5,00,000) | |
| Payments made by Company on behalf of Related Party | 57,33,717 (1,03,032) | |
| Payments made by Related Party on behalf of Company | 5,73,814 (11,08,744) | |
| Loans repaid during the year | 2,43,00,000 (1,10,000) | |
| Loans accepted during the year | – (2,92,50,000) | |
| Loans outstanding as of March 31, 2014 | 36,15,00,000 (38,58,00,000) | |

C) Disclosure required by clause 32 of the Listing Agreement

Amount of loans / advances in nature of loans outstanding from Subsidiaries and Associates during 2013-14

| | Name of the Company | O/s as of March 31, 2014. | Maximum amount o/s during the year | Investment in shares of the Company | Investment in shares of subsidiaries of the Company |
|----|------------------------|------------------------------|---------------------------------------|--|---|
| | | ₹ | ₹ | ₹ | ₹ |
| a) | Associates | | | | |
| | V Hotels Ltd. | 37,00,00,000 | 37,00,00,000 | 22,02,32,000 | – |

24. EARNING PER SHARE

- a) The amount used as the numerator in calculating basic and diluted earning per share is the Net Profit/Loss disclosed in the Profit and Loss Account.
 - b) The weighted average number of equity shares used as the denominator in calculating both basic and diluted earnings per share is 46,10,000 (previous year 46,10,000)
25. The Company has not received any intimation from "Suppliers" regarding their status under Micro, Small & Medium Enterprises Development Act, 2006 and hence the 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.
 26. Previous year's figures have been regrouped / reclassified wherever necessary.
 27. Balance confirmations have not been obtained in respect of year end balances of Sundry Creditors, Loans and Advances due to / by the Company (excluding group and associate companies) and some of the Bank Accounts.
 28. The Company has received copies of letters issued by the Dy. Commissioner of Income Tax, Circle – 16(1), New Delhi to some of the Company's bank under section 226(3) of the Income Tax Act, 1961 directing these banks to remit moneys in the Company's accounts to the Income Tax Department towards settlement of the Company's tax dues.

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



**Tulip
Star
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Ltd.**

29. Employee Benefit:

| Details | Post Employment Benefits |
|---|--|
| Nature of benefit | Defined benefit – Gratuity |
| Assets & liabilities recognized in balance sheet | |
| Present value of unfunded defined benefit obligations | ₹ 12,23,185 |
| Present value of funded or partly funded defined benefit obligations | NA |
| Fair value of plan assets | NA |
| Past service cost not recognized in balance sheet | NA |
| Any amount not recognized as asset | NA |
| Fair value of any reimbursement rights recognized as asset | NA |
| Other amounts, if any, recognized in balance sheet | ₹ 31,153 |
| Amounts included in fair value of plan assets: | |
| Own financial instruments | NA |
| Property or other assets used | NA |
| Movement in net liability: | |
| Opening liability (net of Transitional Liability) | ₹ 11,73,780 |
| Expenses | ₹ 49,405 |
| Contribution | NA |
| Closing liability | ₹ 12,23,185 |
| Expenses recognized in profit & loss account | |
| Current service cost | ₹ 74,299 |
| Interest cost | ₹ 96,837 |
| Expected return on plan assets | NA |
| Expected return on reimbursement rights | NA |
| Past Service Cost – Non –Vested Benefits recognised during the period | Nil |
| Actuarial gains / (losses) | (₹ 121,731) |
| Net Expenses including payments to and provision for employees | ₹ 49,405 |
| Actuarial Assumptions | |
| Discount rates | 9.35% pa |
| Expected rate of returns on plan assets | NA |
| Expected rate of returns on reimbursement rights | NA |
| Expected rate of salary increase | 5% pa |
| Mortality | Indian Assured Lives Mortality (2006-08) Ultimate |
| Retirement age | 58 years |

For and on behalf of the Board

As per our Report of even date

Ray & Ray
Chartered Accountants
Firm Reg. No. 301072E

A. B. M. Good
Chairman

Dr. Ajit B. Kerkar
Managing Director

Sanjeev D. Shenvi
Company Secretary

Anil V. Karnik
Partner
Membership No. 31005

Place : Mumbai
Date : May 29, 2014

TWENTY SEVENTH ANNUAL REPORT 2013-2014

If undelivered, please return to :

Tulip Star Hotels Limited
Secretarial & Finance Dept : Chander Mukhi, Nariman Point, Mumbai - 400 021.



Tulip
Star
Hotels
Ltd.

ATTENDENCE SLIP

TULIP STAR HOTELS LIMITED

Registered Office:

**Plot No. 3, Opp. Punchkuiya Road, Bhanot Chamber, Aram Bagh,
Pahar gang, New Delhi - 110 055.**

Member(s) or his/ her / their proxy(ies) are requested to present this form for admission, duly signed in accordance with his/her/their specimen signature(s) registered with the Company.

| | | | |
|------------------|--|---------------|--|
| DP. ID* | | Client ID* | |
| Master Folio No. | | No. of Shares | |

NAME AND ADDRESS OF THE SHAREHOLDER:

I hereby record my presence at the 27th Annual General Meeting of Tulip Star Hotels Limited to be held at The Deputy Speaker Hall, Constitution Club, Vithal Bhai Patel House, Rafi Marg, New Delhi – 110 001 on Tuesday, September 30, 2014 at 3.30 p.m. or any adjournment thereof.

Signature of the Shareholder/proxy

*Applicable for shareholders holding shares in electronic form.



PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Tulip Star Hotels Limited

CIN: L74899DL1987PLC029184
 Regd Office: Plot No. 3, Opp. Punchkuiya Road, Bhanot Chamber,
 Aram Bagh, Pahar gang, New Delhi - 110 055.

| | | | |
|------------------------|--|--|--|
| Name of the member(s): | | e-mail Id: Folio No/ *Client Id: *DP Id: | |
| Registered address: | | | |

I/We, being the member(s) of _____ shares of Tulip Star Hotels Limited hereby appoint:

- (1) Name: _____
 Address: _____
 E-mail Id: _____
 Signature: _____ or failing him;

- (2) Name: _____
 Address: _____
 E-mail Id: _____
 Signature: _____ or failing him;

- (3) Name: _____
 Address: _____
 E-mail Id: _____
 Signature: _____ or failing him;

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **27th Annual General Meeting** of the Company, to be held at The Deputy Speaker Hall, Constitution Club, Vithal Bhai Patel House, Rafi Marg, New Delhi – 110 001 on Tuesday, September 30, 2014 at 3.30 p.m. and at any adjournment thereof in respect of such resolutions as are indicated below:

** I wish my above Proxy to vote in the manner as indicated in the box below:

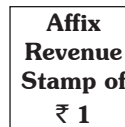
| | RESOLUTIONS | FOR | AGAINST |
|---|--|-----|---------|
| 1 | Adoption of the Audited Balance Sheet as on 31st March, 2014 and the Statement of Profit and Loss Account for the year ended on that date together with Report of Board of Directors and Auditors thereon. | | |
| 2 | Re-appointment of Mr. A. B. M. Good who retires by rotation | | |
| 3 | Appointment of Auditors and fixing their remuneration | | |
| 4 | Change in the term of retirement of Dr. Ajit B. Kerkar from 'not be liable to retire by rotation' to 'liable to retire by rotation'. | | |
| 5 | Appointment of Mr. Mahendra Lodha as an Independent Director | | |
| 6 | Appointment of Mr. Arvind S Herwadkar as an Independent Director | | |
| 7 | Appointment of Mr. Pesi Patel as an Independent Director | | |
| 8 | Appointment of Mr. Shailesh Mody as an Independent Director | | |



| | | | |
|----|--|--|--|
| 9 | Appointment of Mr. Mahalingam Narayanan as an Independent Director | | |
| 10 | Approve borrowing powers of the Company | | |
| 11 | Approve creation of charge on the properties of the Company | | |
| 12 | Approval for keeping the Register of Members and copies of Annual Returns along with annexures in Mumbai at the office of Registrar and Share Transfer Agents of the Company | | |
| 13 | Adoption of new Articles of Association of Company | | |

*Applicable for shareholders holding shares in electronic form.

Signed this _____ day of _____ 2014



Signature of shareholder

Signature of first proxyholder

Signature of second proxyholder

Signature of third proxyholder

Notes:

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- (2) A Proxy need not be a member of the Company.
- (3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- ** (4) This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- (5) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- (6) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.