

**29th Annual Report
2015-2016**



TULIP STAR HOTELS LTD.

BOARD OF DIRECTORS

As on May 19, 2016

A. B. M. GOOD

Chairman

DR. AJIT B. KERKAR

Managing Director

MAHENDRA LODHA

ARVIND S. HERWADKAR

MAHALINGAM NARAYANAN

PESI S. PATEL

SHAILESH S. MODY

RAMOLA MAHAJANI

COMPANY SECRETARY

Sanjeev D. Shenvi

CHIEF FINANCIAL OFFICER

Shaunak A. Paigankar

AUDITORS

Ray & Ray

Chartered Accountants

REGISTERED OFFICE

Plot No. 3, Opp. Punchkuiya Road

Bhanot Chamber, Aram Bagh,

Pahar Ganj,

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.



Tulip
Star
Hotels
Ltd.

NOTICE TO THE MEMBERS

Notice is hereby given that the Twenty Ninth 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 Friday, September 30, 2016 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, 2016, the Statement of Profit and Loss for the year ended March 31, 2016 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.”

For and on behalf of the Board

Place : Mumbai
Date : May 19, 2016

Arvind S. Herwadkar
Director
(DIN:00265493)

NOTES :

- 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 10 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.**
- 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.
- Members / proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
- 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.
- 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.
- The Register of Members and the Share Transfer Books of the Company under the physical mode will remain closed from Friday, September 23, 2016 to Friday, September 30, 2016 (both days inclusive).
- Electronic copy of the Notice of the 29th Annual General Meeting and Annual Report for 2015-16 are being sent to all the members whose email IDs are registered with the Company/ R & T Agent / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their mail address, physical copy of the Notice of the 29th Annual General Meeting and Annual Report for 2015-16 are being sent in the permitted mode.
- 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.



9. Information 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. A. B. M. 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
1.	Cox & Kings Ltd.	Chairman	Nomination and Remuneration Committee, Stakeholders Relationship Committee, Audit Committee

Excludes Alternate Directorship, Directorships in Private Limited Companies, Foreign Companies and their Committee Memberships. Membership of Audit Committee and Nomination and Remuneration Committee and Stakeholders Relationship Committee of only public Companies have been included in the aforesaid table.

- 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.
- Electronic copy of the Notice convening the 29th 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 29th 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 : May 19, 2016

Arvind S. Herwadkar
Director
(DIN:00265493)



SHAREHOLDER INSTRUCTIONS FOR E-VOTING

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Tuesday, September 27, 2016 at 9 a.m. and ends on Thursday September 29, 2016 at 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 Friday, September 23, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting [website www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (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 sequence number which is printed on the Address Sticker 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 member id/folio number in the Dividend Bank details field as mentioned in instruction (iv)

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach 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.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cDSLindia.com](mailto:evoting@cDSLindia.com).

- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) 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.com, under help section or write an email to helpdesk.evoting@cslindia.com.



DIRECTORS' REPORT

To the Shareholders,

Your Directors present herewith the Twenty Ninth Annual Report and the audited accounts of the Company for the year ended 31st March 2016.

FINANCIAL RESULTS

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

	(₹ in lacs)	
	2015-2016	2014-2015
Loss before Finance Cost & Provision for Taxes	109.22	111.63
Add : Finance Cost	552.42	363.41
Add/Less : Provision for Income Tax (Deferred Tax)	70.86	(2.85)
Loss for the year	732.50	427.19
Profit and Loss Account Balance	894.65	(422.46)
Balance available for Appropriation	<u>(1627.15)</u>	<u>(894.65)</u>

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 litigation and legal matters.

DIVIDENDS

The Directors regret their inability to recommend dividend.

FINANCE

The total borrowings stood at ₹ 50.58 crores as at March 31, 2016 as against ₹ 45.45 crores as on March 31, 2015. The increase in debt was on account of fresh borrowings, interest and payments on behalf of the Company.

HUMAN RESOURCES

As on 31st March 2016, the Company has 9 employees on its roll, excluding the Executive Director.

DIRECTORS

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.

BOARD COMMITTEES

Your Company has constituted the following Committees:

- Audit Committee
 - Stakeholders Relationship Committee
 - Nomination and Remuneration Committee
- a. Audit Committee

The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act 2013. The Audit Committee oversees of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.

Composition of the Audit Committee:

Sr. No	Name	Category
1.	Mr. M. Narayanan (Chairman)	Independent, Non Executive
2.	Ms. Ramola Mahajani	Independent, Non Executive
3.	Mr. A. B. M. Good	Non Independent, Non Executive
4.	Mr. Arvind S. Herwadkar	Independent, Non Executive
5.	Mr. Shailesh S. Mody	Independent, Non Executive

All the recommendations of the Audit Committee has been accepted by the Board.

b. Stakeholders Relationship Committee

The Stakeholders Relationship Committee' is primarily responsible to review all matters connected with the Company's transfer of securities and redressal of shareholders' / investors' / security holders' complaints. The Committee also monitors the implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading.

Composition of the Stakeholders Relationship Committee

Sr. No	Name of Director	Executive/Non Executive
1.	Mr. Arvind S. Herwadkar (Chairman)	Independent, Non Executive
2.	Mr. M. Narayanan	Independent, Non Executive
3.	Mr. Pesi S. Patel	Independent, Non Executive

c. Nomination and Remuneration Committee

The Nomination and Remuneration Committee shall identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance. The Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other Employees.

Composition of the Nomination and Remuneration Committee is as under

Sr. No	Name of Director	Executive/Non Executive
1.	Mr. Pesi S. Patel (Chairman)	Independent, Non Executive
2.	Ms. Ramola Mahajani	Independent, Non Executive
3.	Mr. M. Narayanan	Independent, Non Executive
4.	Mr. Arvind S. Herwadkar	Independent, Non Executive
5.	Dr. Ajit B. Kerkar	Non Independent, Executive Director

PUBLIC DEPOSITS

During the financial year 2015-16, your Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014.

MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING FINANCIAL POSITION OF THE COMPANY FROM THE END OF FINANCIAL YEAR AND TILL THE DATE OF THIS REPORT

There has been no material change and commitment, affecting the financial performance of the Company occurred between the end of the financial year of the Company to which the Financial Statements relate and the date of this Report.

DETAILS ON INTERNAL FINANCIAL CONTROLS RELATED TO FINANCIAL STATEMENTS

The Company has in place internal financial control systems, commensurate with the size and scale of operations.



DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has no female employee and therefore the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are not applicable.

PARTICULARS OF INFORMATION FORMING PART OF THE BOARD'S REPORT PURSUANT TO SECTION 134 OF THE COMPANIES ACT, 2013, RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014 AND RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

EXTRACT OF ANNUAL RETURN (MGT 9)

Pursuant to Section 92 of Companies Act, 2013, every Company is required to prepare Annual Return for the end of previous financial year. Under subsection (3) of the said Section, it is also mandatory to enclose the extract of the Annual Return with Directors Report.

The extract of the Annual Return as prescribed is enclosed as Annexure I to the Directors Report.

DETAILS OF BOARD MEETING HELD

Five Board Meetings were held during the year. The Board of Directors of your Company met on May 14, 2015, August 06, 2015, September 30, 2015, October 30, 2015 and February 04, 2016.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134 of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and loss of the Company for year ended on that date;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) they have prepared the annual accounts on a going concern basis; and
- (e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- (f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

A STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Listing Regulations, 2015.

COMPANY'S POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

The Board had on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management Personnel and their remuneration.

The Company has no employee mentioned in Section 197 of Companies Act, 2013 read with Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

AUDITORS & AUDITORS REPORT

Messrs Ray & Ray, Chartered Accountants, Statutory Auditors of the Company retire, and being eligible, offer themselves for re-appointment. The Company has obtained a written consent from Messrs Ray & Ray to the effect that their re-appointment if made, will be within the limits specified under the Companies Act, 2013. In compliance with the provisions of the Companies Act, 2013, it is proposed to reappoint them as Statutory Auditors of the Company at the forthcoming 29th Annual General Meeting.

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

Main Report:

The financial controls are commensurate to the scale of business and all the important and significant transactions of the company are closely monitored by the Management of the Company under the superintendence of the Board.

Annexure :

Clause iii and Clause iv - Loans given.

The loan to V Hotels Ltd., the Company has 50 percent stake in V Hotels Ltd. 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. The stake in V Hotels Ltd. was acquired when V Hotels Ltd. was wholly owned subsidiary of the Company.

The loan was given to Banzai Estates Private Limited, at interest @18% p.a. against the security of the premises admeasuring about 3,000 Sq ft. which is being occupied as a corporate office by the Company. This loan was given at the time when the Company was to manage its hotel in Chennai. Banzai Estates Private Limited dropped its plan of hotel and its not paying any interst. However, the Company is in possession of the said premises and is occupying the same.

Clause vii (a) 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.

SECRETARIAL AUDIT REPORT

Secretarial Audit' has been introduced under Companies Act, 2013. It is compliance audit, by Independent Practicing Company Secretary. As per Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every listed company is required to obtain 'Secretarial Audit Report' from Independent Practicing Company Secretary.

The Secretarial Audit Report for the financial year ended March 31st, 2016 is enclosed as Annexure II to the Directors Report.

LOANS, GUARANTEES & INVESTMENTS AS OF MARCH 31, 2016

Loans	₹ 37,00,00,000
Guarantees	₹ 133,52,00,000
Investments	₹ 22,03,57,000

There were no loan, guarantee and investment made during financial year 2015-16.

RELATED PARTY TRANSACTIONS

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 during the financial year were in the ordinary course of business and on arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no Material Related Party Transactions during the year. Thus, disclosure in Form AOC-2 is not required.

REPORTING OF FRAUDS

There was no instance of fraud during the financial year 2015-16, which required the Statutory Auditors to report to the Audit Committee and/or Board under Section 143(12) of the Companies Act, 2013 and Rules framed thereunder.

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

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.

LISTING AGREEMENT

Your Company has entered into new Listing Agreement with BSE Limited, in compliance with Listing Regulations, 2015.

ANNUAL EVALUATION OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The Board of Directors has carried out an annual evaluation of its own performance, its Committees and Individual Directors pursuant to the requirements of the Act and the Listing Regulations, 2015.

Further, the Independent Directors, at their exclusive meeting held during the year reviewed the performance of the Board, its Chairman and Non-Executive Directors and other items as stipulated under the Listing Regulations, 2015.

INFORMATION FORMING PART OF THE DIRECTORS REPORT PURSUANT TO RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The relevant information pursuant to Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is enclosed as Annexure III to this Report.



VIGIL MECHANISM

The Company has formulated and implemented the Whistle Blower Policy / Vigil Mechanism. This has provided a mechanism for Directors and Employees of the Company and other persons dealing with the Company to report to the Chairman of the Audit Committee; any instance of unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct.

CORPORATE GOVERNANCE REPORT

In terms of Regulation 27(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has exempted companies for the time being having paid up share capital not exceeding INR 10 crore and net worth not exceeding INR 25 crore, as on the last day of the previous financial year. Accordingly, the Corporate Governance Report does not form part of the Annual Report for the financial year 2015-16.

POLICIES

In accordance with the requirements of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 the Board of Directors of the Company has framed the following policies:

- Remuneration Policy
- Policy on Related Party Transactions
- Code of practices and procedures for fair disclosure of unpublished price sensitive information
- Code of Conduct to regulate, monitor and report trading by insiders
- Archival policy
- Policy for preservation of documents
- Policy for determination of materiality of events

The above policies are up-loaded on the Company's website, under the web-link www.tulipstarhotel.com

ORDERS BY REGULATORS, COURTS OR TRIBUNALS

No significant and/or material orders were passed by any regulator or court or tribunal impacting the going concern status and the Company's operations in future.

GROUP

Pursuant to intimation from the Promoters, the names of the Promoters and entities comprising "group" are disclosed below for the purpose of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011:

Sr. No.	Name	Shares held
1.	Cox & Kings Limited	14,02,500
2.	Liz Traders and Agents Private Ltd. (Formerly know as Liz Investments Private Limited)	6,66,930
3.	Sneh Sadan Traders and Agents Limited (Formerly known as Sneh Sadan Graphic Services Limited)	2,83,000
4.	Dr. Ajit B. Kerkar / Mrs. Elisabeth Kerkar	2,74,070

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 19, 2016

A. B. M. Good
Chairman
(DIN: 00189453)

ANNEXURE I TO THE DIRECTORS' REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN as on the financial year ended on March 31, 2016

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



**Tulip
Star
Hotels
Ltd.**

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L74899DL1987PLC029184
ii)	Registration Date	September 10, 1987
iii)	Name of the Company	Tulip Star Hotels Ltd.
iv)	Category / Sub-Category of the Company	Public Company/Limited by shares
v)	Address of the Registered Office and contact details	<p>Registered Office Plot No. 3, Opp, Punchkuiya Road, Bhanot Chamber, Aram Bagh, Pahar Ganj, New Delhi – 110055. Tel: 011-23547932 Fax: 011-23541427</p> <p>Corporate Office : Chander Mukhi, Nariman Point, Mumbai – 400 021. Tel : 022-66374205 Fax : 022-22817132 Email : complianceofficer@tulipstar.com Website : www.tulipstarhotel.com</p>
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	<p>Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (W), Mumbai – 400078. Contact Person: Mr. Mahadevan Iyer Tel No. 022- 25963838; Fax 022 25946969.</p>

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Management of Hotels owned by Third Parties	NIL	NIL

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	Name And Address Of The Company	Cin/Gln	Holding/ Subsidiary/ Associate	% Of Shares Held	Applicable Section
1	V Hotels Ltd Registered Office: Chandermukhi, Nariman Point, Mumbai – 400021.	U55204MH 2000PLC128527	Associate	50 %	2(6)



Tulip
Star
Hotels
Ltd.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
Individual/HUF	274070	–	274070	5.95	274070	–	274070	5.95	Nil
Central Govt	–	–	–	–	–	–	–	–	–
State Govt(s)									
Bodies Corp.	2352430	–	2352430	51.03	2352430	–	2352430	51.03	Nil
Banks / FI	–	–	–	–	–	–	–	–	–
Any Other....	–	–	–	–	–	–	–	–	–
Sub-total (A) (1):-	2626500	–	2626500	56.97	2626500	–	2626500	56.97	Nil
(2) Foreign									
NRIs - Individuals	–	–	–	–	–	–	–	–	–
Other – Individuals	–	–	–	–	–	–	–	–	–
Bodies Corp.	–	–	–	–	–	–	–	–	–
Banks / FI	–	–	–	–	–	–	–	–	–
Any Other....	–	–	–	–	–	–	–	–	–
Sub-total (A) (2):-									
Total share-holding of Promoter (A) = (A)(1)+(A)(2)	2626500	–	2626500	56.97	2626500	–	2626500	56.97	Nil
B. Public Shareholding									
1. Institutions									
Mutual Funds	–	–	–	–	–	–	–	–	–
Banks / FI	–	–	–	–	–	–	–	–	–
Central Govt	–	–	–	–	–	–	–	–	–
State Govt(s)	–	–	–	–	–	–	–	–	–
Venture Capital Funds	–	–	–	–	–	–	–	–	–
Insurance Companies	–	–	–	–	–	–	–	–	–



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
FII's	-	-	-	-	-	-	-	-	-
Foreign Venture Capital	-	-	-	-	-	-	-	-	-
Funds Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non- Institutions									
a. Bodies Corporates									
i) Indian	850216	2800	853016	18.50	508143	2800	510943	11.08	7.42
ii) Overseas	-	-	-	-	-	-	-	-	-
b. Individuals									
1) Individual shareholders holding nominal share capital upto ₹ 1 lakh	314432	83196	397628	8.63	311408	81696	393104	8.53	0.10
2) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	703784	-	703784	15.27	1036176	-	1036176	22.48	(7.21)
c) Others (specify)	29072	-	29072	0.63	43277	-	43277	0.94	(0.31)
Sub-total (B)(2):-	1897504	85996	1983500	43.03	1899004	84496	1983500	43.03	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1897504	85996	1983500	43.03	1899004	84496	1983500	43.03	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	4524004	85996	4610000	100	4525504	84496	4610000	100	NIL

(ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in share holding during the year
1.	Cox & Kings Ltd.	14,02,500	30.42	100.00	14,02,500	30.42	100.00	Nil
2.	Liz Traders and Agents Private Ltd (formerly known as Liz Investments Private Ltd.)	6,66,930	14.47	0.00	6,66,930	14.47	0.00	Nil
3.	Sneh Sadan Traders and Agents Ltd (formerly known as Sneh Sadan Graphic Services Ltd.)	2,83,000	6.14	0.00	2,83,000	6.14	0.00	Nil
4.	Ajit Baburao Kerkar/Elisabeth Kerkar	2,74,070	5.95	0.00	2,74,070	5.95	0.00	Nil
	Total	26,26,500	56.97	53.40	26,26,500	56.97	53.40	Nil

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

There is no change in Promoters Shareholding between April 01, 2015 and March 31, 2016.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Change in Shareholding (No. of Shares)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	Increase	Decrease	No. of shares	% of total shares of the company
1.	Bhamaribai Bhavarlal Jain	209612	4.55	708	–	210320	4.56
2.	Omprakash Hashamatrai Navani	171355	3.72	–	–	171355	3.72
3.	Lavanya Multitrade Private Ltd.	147500	3.12	–	–	147500	3.20
4.	Kats Holding Private Ltd.	45026	0.98	–	14766	30260	0.66
5.	Jayashree Sandeep Surana	28205	0.61	2000	–	30205	0.66
6.	Vimal Sagarmal Jain	29233	0.63	–	–	29233	0.63
7.	Anaan Mercantile Private Limited	27928	0.6	–	–	27928	0.61
8.	Manish Shashikant Mehta	27582	0.60	1,50,000	1,50,000	27582	0.60
9.	Samvrudhi Multitrade Pvt Ltd.	23698	0.51	–	–	23698	0.51
10.	Cyrus Shavak Patel	38325	0.83	–	22764	15561	0.34
11.	Swagat Cements Private Ltd.	260520	5.65	–	260520	–	–
12.	Kotak Mahindra Investments Ltd.	200000	4.33	–	200000	–	–
13.	Pujit Aggarwal	97000	2.10	–	97000	–	–
14.	Kayzad Sirius Eghlim	45000	0.98	–	45000	–	–
15.	Piem Hotels Ltd.	35800	0.78	–	35800	–	–

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Pesi S. Patel	15200	0.33	15200	0.33
2.	Dr. Ajit B. Kerkar	274070	5.94	274070	5.94
3.	Mr. Sanjeev D. Shenvi	8520	0.18	8520	0.18

There is no change in Directors / Key Managerial Personnel Shareholding between April 01, 2015 and March 31, 2016.

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	NIL	45,45,00,000	NIL	45,45,00,000
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	NIL	45,45,00,000	NIL	45,45,00,000
Change in Indebtedness during the financial year				
• Addition	NIL	5,13,00,000	NIL	5,13,00,000
• Reduction	NIL	NIL	NIL	NIL
Net Change	NIL	5,13,00,000	NIL	5,13,00,000
Indebtedness at the end of the financial year				
i) Principal Amount	NIL	50,58,00,000	NIL	50,58,00,000
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	NIL	50,58,00,000	NIL	50,58,00,000

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

There is no remuneration to Managing Director other than sitting fees of ₹10,000.

B. Remuneration to other directors:

Particulars of Remuneration	Name of Directors						Total Amount
	Mr. Mahalingam Narayanan	Mr. Mahendra Lodha	Mr. Arvind S. Herwadkar	Mr. Pesi S. Patel	Ms Ramola Mahajani	Mr. Shailesh S. Mody	
1. Independent Directors							
• Fee for attending board committee meetings	27,500	2,500	27,500	15,000	20,000	25,000	1,17,500
• Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total (1)	27,500	2,500	27,500	15,000	20,000	25,000	1,17,500



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Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
	2. Other Non-Executive Directors	Mr. ABM Good					
	• Fee for attending board committee meetings	22,500	Nil	Nil	Nil	Nil	22,500
	Commission	Nil	Nil	Nil	Nil	Nil	Nil
	Total (2)	22,500	Nil	Nil	Nil	Nil	22,500
	Total (B)=(1+2)	Nil	Nil	Nil	Nil	Nil	1,40,000
	Total Managerial Remuneration	Nil	Nil	Nil	Nil	Nil	1,50,000
	Overall Ceiling as per the Act	Ceiling as per the Act Overall ceiling for Non-executive Directors is 1% of the net profit.					

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		Chief Executive Officer	Company Secretary	Chief Financial Officer	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	6,00,000	12,00,000	18,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	Stock Option	Nil	Nil	Nil	Nil
	Sweat Equity	Nil	Nil	Nil	Nil
	Commission - as % of profit - others, specify...	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil
	Total	Nil	6,00,000	12,00,000	18,00,000

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

No penalties / punishment /compounding of offences were levied under the Companies Act, 2013.

For and on behalf of the Board

Place:Mumbai
Date : May 19, 2016

A. B. M. Good
Chairman
(DIN: 00189453)

ANNEXURE II TO THE DIRECTORS' REPORT

Secretarial Audit Report

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016



To
The Members,
Tulip Star Hotels Limited,
Plot No.3, Opposite Punchkuiya Road,
Bhanot Chamber, Aram Bagh, Pahar Ganj,
Delhi-110055.

Dear Sirs,

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practice by Tulip Star Hotels Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on my verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the financial year ended 31st March, 2016 (hereinafter referred to as "Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I further report that compliance with applicable laws is the responsibility of the Company and our report constitutes an independent opinion. My report is neither an assurance for future viability of the company nor a confirmation of efficient management by the Company.

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Audit Period according to the provisions of:
 - (i) The Companies Act, 2013 (the Act) and the rules made thereunder.
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings;
 - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c. The Securities and Exchange Board of India (Registrars to a Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company under the audit period under report:-
 - i. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - ii. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - iv. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - v. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
3. Provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of External Commercial Borrowings were not attracted to the Company for the audit period.



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4. I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The list of major head/groups of Acts, Laws and Regulations as applicable to the Company is given below:
- i. Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc.;
 - ii. Acts prescribed under Environmental protection;
 - iii. Acts as prescribed under Direct Tax and Indirect Tax;
 - iv. Labour Welfare Act of respective States;
 - v. The Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013;
 - vi. Local laws as applicable to various offices.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India; and
- (ii) The Listing Agreements entered into by the Company with Stock Exchange/SEBI (Listing Obligations & Disclosure Requirements Regulations, 2015).

During the audit period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

5. I further report that:
- i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.
 - ii) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.
 - iii) Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.
6. I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
7. This report is to be read with my letter of even date which is annexed as Annexure A and form an integral part of the report.

Place: Mumbai
Date: May 19, 2016

Uday Tikare
Company Secretary
FCS No.:5415
C P No.:1040



To,
The Members,
Tulip Star Hotels Limited,
Plot No.3, Opposite Punchkuiya Road,
Bhanot Chamber, Aram Bagh, Pahar Ganj
Delhi-110055.

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Mumbai
Date : May 19, 2016

Uday Tikare
Company Secretary
FCS No.:5415
C P No.:1040



ANNEXURE III TO THE DIRECTORS' REPORT

Information Forming Part of the Directors' Report Pursuant to Rule 5 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014

- a. The ratio of remuneration of each director to the median remuneration of the employees of the company for the financial year 2015-16.

Executive Directors	Ratio to median remuneration
Dr. Ajit B Kerkar	Nil

Non Executive Director	
Mr. A B M Good	Nil
Mr. M. Narayanan	Nil
Mr. Mahendra Lodha	Nil
Mr. Pesi S Patel	Nil
Mr. Arvind S. Herwadkar	Nil
Mr. Shailesh S. Mody	Nil
Ms. Ramola Mahajani	Nil

- b. The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year 2015-16.

Directors, Chief Executive Officer, Chief Financial Officer & Company Secretary	% increase in remuneration in the financial year
Dr. Ajit B Kerkar	Nil
Mr. A B M Good	Nil
Mr. M. Narayanan	Nil
Mr. Mahendra Lodha	Nil
Mr. Pesi S Patel	Nil
Mr. Arvind S. Herwadkar	Nil
Mr. Shailesh S. Mody	Nil
Ms. Ramola Mahajani	Nil
Mr. Sanjeev D Shenvi- Company Secretary	Nil
Mr Shaunak A Paigankar – Chief Financial Officer	38%

- c. The percentage increase in the median remuneration of employees in the financial year: Nil
- d. The number of permanent employees on the rolls of company: 9 – excluding Executive Director.
- e. The explanation on the relationship between average increase in remuneration and company performance:
The increase in remuneration is not solely based on Company performance but also includes various other factors like individual performance, industry trends, economic situation, future growth prospects, etc. The Board believes that the increase is in line with the industry.
- f. Comparison of the remuneration of the key managerial personnel against the performance of the Company:

	INR in Lacs
Aggregate remuneration of key managerial personnel (KMP) in FY 16	18.00
Net Revenues –other income	0.03
Remuneration of KMPs (as % of revenue)	48000.00
Profit before Tax (PBT)	Nil
Remuneration of KMP (as % of PBT)	Not Applicable since Company has reported Loss



- g. Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of current financial year and previous financial year:

Particulars	March 31, 2016	March 31, 2015	% change
Market Capitalisation (₹ In Crores)	35.57	35.08	1.38
Price Earning Ratio	Not Applicable since Company has reported Loss	Not Applicable since Company has reported Loss	Nil

- h. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Not Applicable

- i. Comparison of each remuneration of the Key managerial personnel against the performance of the Company:

	Mr. Sanjeev D Shenvi (Company Secretary)	Mr. Shaunak A Paigankar (Chief Financial Officer)
	INR in Lacs	INR in Lacs
Remuneration in FY 16	6.00	12.00
Revenue – other income	0.03	0.03
Remuneration (as % of revenue)	16000%	32000%
Profit before Tax (PBT)	Nil	Nil
Remuneration (as % of PBT)	Not Applicable since Company has reported Loss	Not Applicable since Company has reported Loss

- j. The key parameters for any variable component of remuneration availed by the directors: Not Applicable
- k. The ratio of remuneration of the highest paid director to that of employees who are not directors but receive remuneration in excess of the highest paid director during the year:

The Managing Director is not accepting remuneration other than sitting fees, whereas as Company Secretary and Chief Financial Officer are paid remuneration.

- l. Affirmation that the remuneration is as per the remuneration policy of the Company:

The Board affirms that the remuneration is as per the Nomination and Remuneration policy of the Company.

For and on behalf of the Board

Place: Mumbai

Date : May 19, 2016

A. B. M. Good

Chairman

(DIN: 00189453)



Tulip
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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 Limited ('the Company'), which comprise the balance sheet as at 31 March 2016, 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation 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 the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016 and its loss and its cash flows for the year ended on that date.

Emphasis of matter:

Attention is invited to note number 18, note number 19 and note number 20 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.



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Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) on the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act; and
 - (f) With-respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer note number 21 of notes forming part of accounts;
 - ii. The Company did not have any long term contracts including derivative contracts that require provision under any law or accounting standards for which there were any material foreseeable losses.
 - iii. There was no amount to be transferred, to the Investor Education and Protection Fund by the Company.
 - (g) According to the information and explanation given to us, the Company has not established its internal financial control over financial reporting on criteria based on or considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over financial reporting issued by the Institute of Chartered Accountants of India. Consequently, we are unable to obtain sufficient appropriate audit evidence to provide basis for our opinion whether the Company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at March 31st, 2016.

We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company, and the disclaimer does not affect our opinion on the financial statements of the Company.

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

Anil V. Karnik
Partner
Membership No. 31005

Place : Mumbai
Date : May 19, 2016

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

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

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31 March 2016, we report that:

- The Company does not have any Fixed Assets.
- The Company is a service company, primarily rendering hotel management services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable.
- The following are the particulars of unsecured loans granted by the Company to companies firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').

Details of loans granted:

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

The above loans are interest free as such these loans are prejudicial to the interest of the Company.

We are informed that the terms of arrangements do not stipulate any repayment schedule. Accordingly, paragraph 3 (iii) (b) & 3 (iii) (c) of the Order is not applicable to the Company in respect of repayment of the principal amount.

- In our opinion and according to the information and explanations given to us, the company has not complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made to the following parties:

Party	Amount (₹)
Non Compliance with the provisions of sections 185 and 186 of the Act	
V Hotels Ltd	37,00,00,000
Non Compliance with the provisions of section 186 of the Act	
Banzai Estates Private Limited	1,15,00,000

- The Company has not accepted any deposits from the public.
- The Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Act, for any of the services rendered by the Company.
- (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund and employees' state insurance and other material statutory dues (barring tax deducted at source and service tax) have been regularly deposited during the year by the Company with the appropriate authorities.

As explained to us, the Company did not have any dues on account of sales tax, wealth tax, duty of customs, value added tax, cess and duty of excise.

According to the information and explanations given to us, the following undisputed amounts payable in respect of income tax and service tax were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.

Fringe Benefit Tax ₹ 2.75 Lacs

Service Tax ₹ 24.19 Lacs

Tax Deducted at Source ₹ 9.66 Lacs

- (b) According to the information and explanations given to us, the following dues of income tax, have not been deposited by the Company on account of disputes:

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	Dy. Commissioner of Income Tax, New Delhi
Penalty U/s 221(1) of the Income Tax Act, 1961 for assessment year 2007-08	40.34	Hon'ble Income Tax Tribunal, New Delhi



**Tulip
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- viii. The Company did not have any outstanding dues to financial institutions, banks or Debenture holders during the year.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly paragraph 3 (ix) of the order is not applicable.
- x. According to the information and explanation given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided for any managerial remuneration.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3 (xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India.

For **Ray & Ray**

Chartered Accountants

Firm Reg. No. 301072E

Anil V. Karnik

Partner

Membership No. 31005

Place : Mumbai

Date : May 19, 2016



**Tulip
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BALANCE SHEET AS AT MARCH 31, 2016

	Note No.	₹	₹	As At 31.3.2015 ₹
<u>EQUITY AND LIABILITIES</u>				
SHAREHOLDERS' FUNDS				
Share Capital	3	4,61,00,000		4,61,00,000
Reserves and Surplus	4	(3,57,32,908)		3,75,17,171
			1,03,67,092	8,36,17,171
NON CURRENT LIABILITIES				
Long-term borrowings	5	13,84,00,000		13,84,00,000
Long-term provisions	6	52,68,022		49,13,582
			14,36,68,022	14,33,13,582
CURRENT LIABILITIES				
Short-term borrowings	7	36,74,00,000		31,61,00,000
Short-term provisions	8	2,04,00,000		2,04,00,000
Other current liabilities	9	7,66,41,998		6,28,81,352
			46,44,41,998	39,93,81,352
TOTAL			61,84,77,112	62,63,12,105
<u>ASSETS</u>				
NON CURRENT ASSETS				
Non-current investments	10	22,03,57,000		22,03,57,000
Deferred tax assets (net)	11	91,40,374		1,62,26,540
Long- term Loans and Advances	12	38,87,01,827		38,94,73,927
			61,81,99,201	62,60,57,467
CURRENT ASSETS				
Cash and Cash equivalents	13	2,73,706		2,12,503
Other current assets	14	4,205		42,135
			2,77,911	2,54,638
TOTAL			61,84,77,112	62,63,12,105

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
DIN 00189453

Dr. Ajit B. Kerkar
Managing Director
DIN 00022311

Sanjeev D. Shenvi
Company Secretary

Shaunak A. Paigankar
Chief Financial Officer

Anil V. Karnik
Partner
Membership No. 31005

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016



Tulip
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	Note No.	₹	₹	Previous Year ₹
REVENUE				
Other Income	15		3,750	2,62,769
Total Revenue			3,750	2,62,769
EXPENSES				
Employee Benefits Expenses	16	49,57,284		56,69,369
Finance Cost		5,52,42,041		3,63,40,837
Depreciation		–		29,784
Other Expenses	17	59,68,338		57,26,050
Total Expenses			6,61,67,663	4,77,66,040
Loss before Exceptional Items and Tax			6,61,63,913	4,75,03,271
Prior Period Adjustment		–		–
Excess Provision Written Back		–		–
Loss Before Tax			6,61,63,913	4,75,03,271
Tax Expenses				
Current tax (Incl Provision for earlier years)		–		2,42,223
Deferred tax		70,86,166		(5,27,401)
			70,86,166	(2,85,178)
Loss for the year			7,32,50,079	4,72,18,093
Earning per equity share:				
Basic & Diluted	23		(15.89)	(10.24)

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
DIN 00189453

Dr. Ajit B. Kerkar
Managing Director
DIN 00022311

Sanjeev D. Shenvi
Company Secretary

Shaunak A. Paigankar
Chief Financial Officer

Anil V. Karnik
Partner
Membership No. 31005

Place : Mumbai
Date : May 19, 2016



**Tulip
Star
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CASH FLOW STATEMENT

	31.03.2016	31.03.2015
	₹	₹
A. Cash Flow from Operating Activities		
Loss before Tax	6,61,63,913	4,75,03,271
adjustments for		
Depreciation	-	29,784
Provision written back	-	2,42,223
Finance Cost	5,52,42,041	3,63,40,837
Profit on Sale of Assets	-	1,06,269
Dividend on long term investments (non-trade)	3,750	2,500
Operating Profit before working capital changes	1,09,25,622	1,14,83,642
(Increase)/decrease in loans and advances	810,030	7,55,714
Increase/(decrease) trade and other payables	6,54,15,086	4,69,25,575
Earmarked Bank Account (Unpaid Dividend Account)	-	(95,948)
	<u>6,62,25,116</u>	<u>4,75,85,341</u>
Cash generated from operations	5,52,99,494	3,61,01,699
Direct taxes paid	-	-
Net cash generated / (used in) from operations	5,52,99,494	3,61,01,699
B. Cash Flow from Investing Activities		
Dividend income	3,750	2,500
Sale of Fixed Assets	-	2,34,000
Net cash from / (used in) Investing Activities	3,750	2,36,500
C. Cash Flow from Financing Activities		
Interest expenses	5,52,42,041	36,340,837
Net cash from / (used in) Financing Activities	(5,52,42,041)	(3,63,40,837)
Net (decrease) / increase in cash and cash equivalents	61,203	(2,638)
Cash and cash equivalents at the beginning of the year	2,12,503	2,15,141
Cash and cash equivalents at the end of the year	2,73,706	2,12,503

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
DIN 00189453

Dr. Ajit B. Kerkar
Managing Director
DIN 00022311

Sanjeev D. Shenvi
Company Secretary

Shaunak A. Paigankar
Chief Financial Officer

Anil V. Karnik
Partner
Membership No. 31005

Place : Mumbai
Date : May 19, 2016

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016



Tulip
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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, 2013 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 II of the Companies Act, 2013, 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 Statement of Profit & Loss 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 Statement of Profit and Loss.

Exchange differences related to restatement of other foreign exchange assets / liabilities as at the date of the balance sheet date are transferred to the Statement of Profit and Loss.

(i) Employee Benefits

Provident Fund

Company's contributions paid / payable during the year to Provident Fund are recognized in the Statement of Profit and Loss.

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 Statement of Profit & Loss.

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 the Statement of Profit & Loss 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.

(l) 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, 2016

- (m) **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.
- (n) **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 31.03.2016 ₹	As at 31.03.2015 ₹
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 31.03.2016		As at 31.03.2015	
	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 ₹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 31.03.2016		As at 31.03.2015	
	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 Traders and Agents Private Ltd. (Formerly known as Liz Investments Pvt Limited)	6,66,930	14.47	6,66,930	14.47
Sneh Sadan Traders and Agents Ltd. (Formerly known as Sneh Sadan Graphic Services Limited)	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, 2016**

4. Reserves & Surplus

Particulars	As at 31.03.2016		As at 31.03.2015	
	₹	₹	₹	₹
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	(8,94,65,010)		(4,22,46,917)	
Less :- Loss for the Year	7,32,50,079		4,72,18,093	
		(16,27,15,089)		(8,94,65,010)
Total		(3,57,32,908)		3,75,17,171

5. Long Term Borrowing:

Particulars	As at 31.03.2016	As at 31.03.2015
	₹	₹
Unsecured Loans from Associated Company	13,84,00,000	13,84,00,000
Total	13,84,00,000	13,84,00,000

The Interest Free Unsecured Loans are to be repaid on 31st March 2018.

6. Long Term Provisions

Particulars	As at 31.03.2016	As at 31.03.2015
	₹	₹
Provision for Taxation (Net of Taxes Paid)	2,09,529	2,09,529
Provision for Gratuity & Leave Encashment	50,58,493	47,04,053
Total	52,68,022	49,13,582

7. Short Term Borrowing

Particulars	As at 31.03.2016	As at 31.03.2015
	₹	₹
Unsecured Loans from Associated Companies	29,75,00,000	26,27,00,000
Unsecured Loans from Others	6,99,00,000	5,34,00,000
Total	36,74,00,000	31,61,00,000

Note on Unsecured Loan from Associated Companies

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

8. Short Term Provisions

Particulars	As at 31.03.2016	As at 31.03.2015
	₹	₹
Provision for Taxation	2,04,00,000	2,04,00,000
Total	2,04,00,000	2,04,00,000



Tulip
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NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

9. Other Current Liabilities

Particulars	As at 31.03.2016	As at 31.03.2015
	₹	₹
Statutory Dues Payable	1,15,61,728	1,04,45,233
Due to Associate Companies	6,07,26,097	4,69,40,688
Others	43,54,173	54,95,431
Total	7,66,41,998	6,28,81,352

10. Non Current Investments

Particulars	As at 31.03.2016	As at 31.03.2015
	₹	₹
Trade investment (valued at cost unless stated otherwise)		
Investment in Associates - V Hotels Limited (Refer Note Nos. 18 and 19)		
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 - 2,500) of ₹ 100/- each fully paid up	2,50,000	2,50,000
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	22,03,57,000

11. Deferred Tax Assets (Net)

Particulars	As at 31.03.2016	As at 31.03.2015
	₹	₹
Deferred Tax Assets are attributable to the following items		
Provision for Gratuity	7,04,991	6,36,156
Provision for Leave Encashment	8,67,710	8,27,022
Expenses allowable for tax purposes on payment	75,67,673	1,47,63,362
Total	91,40,374	1,62,26,540

12. Long Term Loans and Advances

Particulars	As at 31.03.2016	As at 31.03.2015
	₹	₹
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	64,94,761	70,32,861
Advances recoverable in cash or kind Unsecured, considered good	5,87,750	8,21,750
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	38,87,01,827	38,94,73,927

**NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016**



Tulip
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13. Cash and bank balances

Particulars	As at 31.03.2016	As at 31.03.2015
	₹	₹
Cash and cash Equivalents	–	–
Balance in Current Accounts	2,73,706	2,12,503
Total	2,73,706	2,12,503

14. Other Current Assets

Particulars	As at 31.03.2016	As at 31.03.2015
	₹	₹
Prepaid Expenses	4,205	42,135
Total	4,205	42,135

15. Other Income

Particulars	Current Year	Previous Year
	₹	₹
Dividend	3,750	2,500
Miscellaneous Income	–	1,54,000
Profit on Sale of Asset	–	1,06,269
Total	3,750	2,62,769

16. Employee Benefits Expenses

Particulars	Current Year	Previous Year
	₹	₹
Salaries, bonus, etc.	41,74,781	43,93,339
Contribution to Provident & Other Funds	4,73,730	3,65,860
Gratuity	2,22,765	8,04,420
Staff Welfare	86,008	1,05,750
Total	49,57,284	56,69,369

17. Other Expenses

Particulars	Current Year	Previous Year
	₹	₹
Printing and Stationery	99,750	92,758
Travelling and Conveyance	1,90,145	1,51,991
Communication Expenses	1,14,351	1,18,667
Auditors' Remuneration – (see note below)	1,17,213	1,15,169
Professional Fees	18,41,602	20,28,453
Directors Sitting Fees	1,50,000	47,000
Advertisement	2,17,136	1,62,021
Electricity expenses	9,41,709	8,46,668
Vehicle Expenses	15,99,512	13,64,922
Service Tax	59,579	1,48,022
Sundry Expenses	6,37,341	6,50,379
Total	59,68,338	57,26,050



Tulip
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NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Note: - Auditors' Remuneration includes

Particulars	Current Year	Previous Year
	₹	₹
Audit Fees	65,838	64,607
Other Matters	51,375	50,562
Total	1,17,213	1,15,169

18. 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 in terms of Term Sheet dated 8th March, 2005, which continued in MAPA. 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 repudiated and terminated. This 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 VHL remains undiminished as the rights, title and interest of VHL 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 the Bombay High 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.
19. The Company holds long term investments of ₹ 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.
20. M/s Assets Reconstruction Company (India) Limited (ARCIL) (to whom certain banks have assigned their loans which were advanced by them to V Hotels Ltd.) 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 filed an Appeal before the Hon'ble Debt Recovery Appellate Tribunal, Mumbai against the order of the Hon'ble Debt Recovery Tribunal (wherein V Hotels Ltd. had, initially, challenged the actions of ARCIL) and obtained the 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 ₹ 37,00,00,000 by way of Interest Free Loan in that company and is of the opinion that as the intrinsic value of the underlying asset of V Hotels Ltd., being the hotel property, has remained intact and its estimated market / realizable value being far 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.
- 21. CONTINGENT LIABILITIES :-**
- No provision is considered in respect of income tax demands aggregating to ₹ 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 ₹ 6.16 lacs up to March 31, 2016 (Previous Year ₹ 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 ₹ 13,352 lacs (Previous Year ₹ 13,352 lacs) disbursed/guaranteed by them to V Hotels Ltd., the erstwhile wholly owned subsidiary of the Company. The said loans which were granted by the banks since then have been assigned to the Asset Reconstruction Companies by the said banks.
 - Penalty notice u/s 221(1) of the Income Tax Act 1961 for ₹40.34 Lacs for the non payment of Income Tax dues.
- 22. 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.

**NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016**



**Tulip
Star
Hotels
Ltd.**

Key management Personnel: -

Mr. A. B. M. Good
Dr. A. B. Kerkar
Ms. Ramola Mahajani
Mr. M. Narayanan
Mr. Mahendra Lodha
Mr. Arvind S. Herwadkar
Mr. Pesi S. Patel
Mr. Shailesh S. Mody
Mr. Sanjeev D Shenvi
Mr. Shaunak A Paigankar

b) Transactions with Related Parties:

	Associates ₹	Key Management Personnel ₹
Interest Payment	3,84,02,118 (3,63,40,837)	
Director's Sitting Fees		1,50,000 (47,000)
Salary		18,00,000 (14,67,000)
Loans granted Outstanding as of March 31, 2016	37,00,00,000 (37,00,00,000)	
Advances received	57,452 (1,81,52,239)	
Advances paid	— 15,11,963	
Payments made by Company on behalf of Related Party	12,81,116 (32,584)	
Payments made by Related Party on behalf of Company	1,52,51,479 (26,56,325)	
Loans taken outstanding as of March 31, 2016	43,59,00,000 (40,11,00,000)	

23. 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 the Statement of Profit and Loss.
 - 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)
24. 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.
 25. Previous year's figures have been regrouped / reclassified wherever necessary.
 26. 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.
 27. 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.



**Tulip
Star
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Ltd.**

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

28. 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	₹ 22,50,370
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)	₹ 20,27,605
Expenses	₹ 2,22,765
Contribution	NA
Closing liability	₹ 22,50,370
Expenses recognized in Statement of Profit and Loss	
Current service cost	₹ 1,60,586
Interest cost	₹ 87,842
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)	₹ (Rs.25,663)
Net Expenses including payments to and provision for employees	₹ 2,22,765
Actuarial Assumptions	
Discount rates	7.99% 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
DIN 00189453

Dr. Ajit B. Kerkar
Managing Director
DIN 00022311

Sanjeev D. Shenvi
Company Secretary

Shaunak A. Paigankar
Chief Financial Officer

Anil V. Karnik
Partner
Membership No. 31005

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Place : Mumbai
Date : May 19, 2016

TWENTY NINTH ANNUAL REPORT 2015-2016

If undelivered, please return to :

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

