

30th Annual Report
2016-2017



TULIP STAR HOTELS LTD.

BOARD OF DIRECTORS

A. B. M. GOOD
Chairman

DR. AJIT B. KERKAR
Managing Director

MAHENDRA LODHA (Resigned w e f 13.09.2016)

ARVIND S. HERWADKAR (Resigned w e f 29.09.2016)

MAHALINGAM NARAYANAN

PESI S. PATEL

SHAILESH S. MODY

RAMOLA MAHAJANI

SHEEL DHAR PANDE (appointed as Additional Director w e f October 11, 2016)

DWARAKANATH BOPPANA (appointed as Additional Director w e f October 11, 2016)

COMPANY SECRETARY

Sanjeev D. Shenvi

CHIEF FINANCIAL OFFICER

Shaunak A. Paigankar

AUDITORS

Ray & Ray
Chartered Accountants

REGISTERED OFFICE (w e f 01.06.2017)

Indra Palace Building
H-Block, Middle Circle,
Connaught Circus,
New Delhi - 110 001.

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 101, 247 Park,
L.B.S. Road, Vikroli (W),
Mumbai - 400 083.



Tulip
Star
Hotels
Ltd.

NOTICE TO THE MEMBERS

Notice is hereby given that the Thirtieth 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 29, 2017 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, 2017, the Statement of Profit and Loss for the year ended March 31, 2017 and the reports of the Board of Directors and the Auditors thereon.

Item No. 2. – Re-appointment of Dr. Ajit B. Kerkar

To appoint a Director in place of Dr. Ajit B. Kerkar (DIN: 00022311) who retires by rotation and being eligible offers himself for reappointment.

SPECIAL BUSINESS :

Item No. 3. – 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 pursuant to the provisions of Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s. K A M G & Associates, Chartered Accountants (Firm Registration No. 311027E) be and are hereby appointed as the Statutory Auditors of the Company in place of M/s. Ray & Ray, Chartered Accountants (Registration No. 301072E), the retiring Auditors of the Company, to hold office for a period of five years from the conclusion of the 30th Annual General Meeting (“AGM”) of the Company until the conclusion of the 35th AGM of the Company to be held in the year 2022 (subject to ratification of their appointment at every AGM if so required under the Act) to examine and audit the accounts of the Company, at such remuneration, as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.”

Item No. 4. – Appointment of Mr. Sheel Dhar Pande as Independent Director

To appoint Mr. Sheel Dhar Pande 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 Mr. Sheel Dhar Pande - DIN 01534830 who was appointed as an Additional Director of the Company by the Board of Directors, with effect from October 11, 2016, and who by virtue of Section 161 of the Companies Act, 2013 hold office up to the date of the 30th Annual General Meeting, be and is hereby appointed 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 any statutory modification(s) or re-enactment thereof for the time being in force) 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 up to the Annual General Meeting for the Financial Year 2021-22 or September 30, 2022 whichever is earlier.”

Item No. 5. – Appointment of Mr. Dwarakanath Boppana as Independent Director

To appoint Mr. Dwarakanath Boppana 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 Mr. Dwarakanath Boppana - DIN 02155350 who was appointed as an Additional Director of the Company by the Board of Directors, with effect from October 11, 2016, and who by virtue of Section 161 of the Companies Act, 2013 hold office up to the date of the 30th Annual General Meeting, be and is hereby appointed 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 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 up to the Annual General Meeting for the Financial Year 2021-22 or September 30, 2022 whichever is earlier.”

For and on behalf of the Board

Place : Mumbai
Date : May 30, 2017

Dwarakanath Boppana
Director
(DIN:02155350)

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 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.**
2. The relative Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 ("the Act") setting out the material facts in respect of the Business under Item Nos. 3 to 5 to be transacted at the meeting is annexed hereto
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 Saturday, September 23, 2017 to Friday, September 29, 2017 (both days inclusive).
8. Electronic copy of the Notice of the 30th Annual General Meeting and Annual Report for 2016-17 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 30th Annual General Meeting and Annual Report for 2016-17 are being sent in the permitted mode.
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. Members holding shares in physical form are requested to advise any change of address and are also requested to submit their specimen signatures duly attested by their Bank immediately to the Share Transfer Agent of the Company. Members holding shares electronically in dematerialized form must advise any change of address to their respective Depository Participant.
11. Nomination facility:
As per the provisions of Section 72 of the Act, facility for making nomination is available for the Members in respect of the shares held by them. Members holding shares in single name and who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to cancel the earlier nomination and record fresh nomination, he/she may submit the same in Form No. SH-14. Members holding shares in physical form are requested to submit the forms to the Share Transfer Agent of the Company.
12. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate risks associated with physical shares and for ease in portfolio management.
13. Updation of Members' Details:
The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Act, requires the Company to record additional details of Members, including their PAN details, email address, bank details for payment of dividend, etc. A form for capturing the additional details is available with the Share Transfer Agent of the Company. Members holding shares in physical form are required to submit the filled in form to the Share Transfer Agent of the Company and Members holding shares in electronic form are required to submit the details to their respective Depository Participants.
14. 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.
15. As per the requirement of the Secretarial Standard – 2 on "General Meetings" the route map showing directions to reach the venue of the Meeting is annexed to the Notice.

16. Details of Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting of the Company (Pursuant to the Listing Regulations and Secretarial Standard-2 on General Meetings)

Name of the Director	Dr. Ajit B. Kerkar
Date of Birth	12/06/1932
Director Identification Number	00022311
Date of Joining the Board	01/06/1999
Profile of the Director	Dr. Ajit B. Kerkar, was the former Chairman and Managing Director of The Indian Hotels Company Limited (Taj Group of Hotels). Dr. Ajit B. Kerkar has also served on the board of Air India Limited, Indian Airlines Limited and Tourism Finance Corporation of India Limited. Dr. Ajit B. Kerkar was the Tourism Advisor to the Government of Maharashtra and the Government of Goa. Dr. Ajit B. Kerkar holds 2,74,070 Equity Shares in the Company

Dr. Ajit B. Kerkar 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.	V Hotels Ltd.	Chairman	–
2.	Tulip Star Leisure and Health Resorts Ltd.	Chairman	–
3.	Satyagiri Waterways Ltd.	Director	–
4.	Satyagiri Shipping Co. Ltd.	Director	–

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

Name of the Director	Mr. Sheel Dhar Pande
Date of Birth	21/06/1955
Director Identification Number	01534830
Date of Joining the Board	11/10/2016
Profile of the Director	Mr. Sheel Dhar Pande, a known personality in the real estate industry and having strong experience in the construction and development field. At present, Mr. Sheel Dhar Pande, is the Chairman of the Lifetime Group of companies which started in 2003. He is a Mechanical Engineer from IIT-BHU and started his career with his family business of manufacturing glass bottles in 1980. On parallel side, his entrepreneurial spirit moved him to venture into printing and frosting in the packing segment, low cost automation and manufacture of telecom equipment. Later he became the Business Advisor to the Sahara Group and Business Head of Amby Valley City near Lonavala. His major contribution there has been the price discovery phase management as well as promotion of the Brand as a unique up market destination.

Name of the Director	Mr. Dwarakanath Boppna
Date of Birth	03/11/1956
Director Identification Number	02155350
Date of Joining the Board	11/10/2016
Profile of the Director	Mr. Dwarakanath Boppna holds Diploma in Hotel Management from Institute of Hotel Management and Catering. Mr. Dwarakanath Boppna over 3 decades of extensive experience in the hospitality industry in India and Abroad and he is expertise in planning, supervision and Managing the entire operations including infrastructure development, resource planning, procurement, maintenance of inventory levels for smooth functioning of all departments, developing procedures, service standards, operational policies, planning & implementing effective control measures to reduce running costs of the unit, designing & implementing training programs for bringing keen customer focus, high energy level and team spirit in the employees and overseeing catering operations and responsible for managing the catering for all kinds of social events, seminars & conference as well as outdoor catering.

Mr. Dwarakanath Boppana is on the Board of the following public companies* and their Board Committees :

Sr. No.	Name of the Company	Position held	Committee Membership
1.	Tulip Star Leisure & Health Resorts Ltd.	Director	–

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

17. Electronic copy of the Notice convening the 30th 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 30th 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.

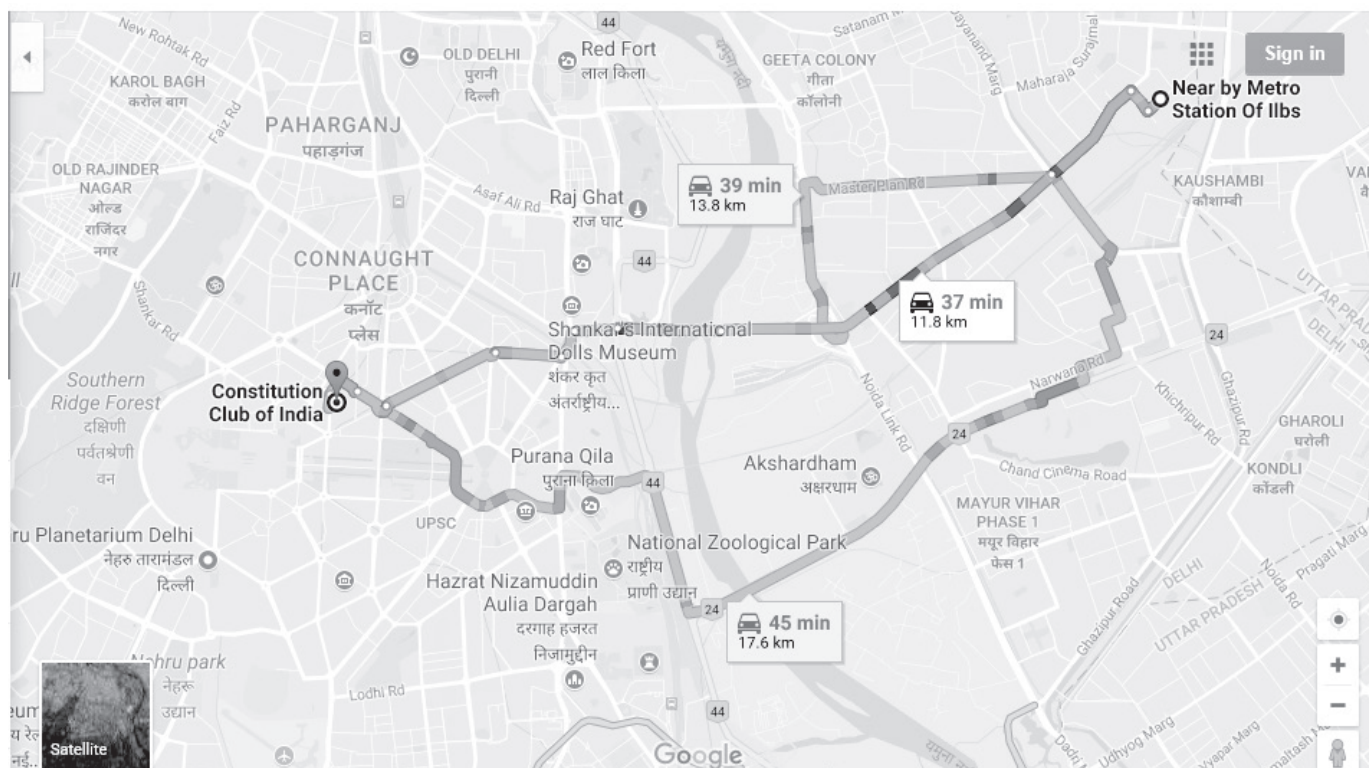
For and on behalf of the Board

Place : Mumbai
Date : May 30, 2017

Dwarakanath Boppana
Director
(DIN:02155350)

Route Map to the AGM Venue

Venue: The Deputy Speaker Hall, Constitution Club, Vithal Bhai Patel House, Rafi Marg, New Delhi – 110 001





Tulip
Star
Hotels
Ltd.

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.3 to 5 of the accompanying Notice dated May 30, 2017.

Item No. 3 : This explanatory statement is provided though not mandatory under Section 102 of the Act.

The Companies Act, 2013 ('the Act') was notified effective April 1, 2014. Section 139 of the Act lays down the criteria for appointment and mandatory rotation of statutory auditors. Pursuant to Section 139 of the Act and the Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of two terms of five consecutive years. The Rules also lay down the transitional period that can be served by the existing auditors depending on the number of consecutive years for which audit firm has been functioning as auditor in the same company. The incumbent auditors, M/s. Ray & Ray, Chartered Accountants (Registration No. 301072E) have served the Company for 17 years before the Act was notified and will be completing the maximum number of transitional period (three years) at the ensuing 30th AGM.

The audit committee of the Company has proposed and on May 30, 2017, the Board has recommended the appointment of M/s. K A M G & Associates, Chartered Accountants (Firm Registration No. 311027E) as the Statutory Auditors of the Company for five financial years viz. 2017-18 to 2021-2022, to hold office from the conclusion of the forthcoming 30th AGM till the conclusion of the 35th AGM of the Company, subject to ratification by the Members at every AGM, if so required under the Act.

M/s. K A M G & Associates, Chartered Accountants (Firm Registration No. 311027E) have its registered office in Kolkata and branch offices in New Delhi, Mumbai, Chennai and Bengaluru.

M/s. K A M G & Associates, Chartered Accountants (Firm Registration No. 311027E) have in compliance with the provisions of Section 139(1) and Section 141 of the Act, read with the Companies (Audit & Auditors) Rules, 2014, given their written consent along with a certificate that their appointment, is in accordance with the limits, conditions and criteria as specified in Section 141 of the Act.

The Board commends the Resolution at Item No. 3 of the accompanying Notice for approval by the Members of the Company.

None of the Directors or Key Managerial Personnel ("KMP") or their respective relatives are, in anyway, concerned or interested in the Resolution at Item No. 3 of the accompanying Notice.

Item No. 4 & 5 : The Board of Directors of the Company had appointed Mr. Sheel Dhar Pande and Mr. Dwarakanath Boppana as an Additional Director(s) (Non- Executives) of the Company with effect from October 11, 2016. The Additional Director(s) holds office only until the ensuing Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 but are eligible for appointment as Independent Director(s). The Company has received a notice under Section 160(1) of the said Act from a Members along with requisite deposit signifying the intention to propose Mr. Sheel Dhar Pande and Mr. Dwarakanath Boppana's appointment as Director(s) of the Company.

The Company has received from Mr. Sheel Dhar Pande and Mr. Dwarakanath Boppana their consent to act as Director(s) of the Company along with a declaration to the effect that they meets the criteria of independence as provided in Section 149 of the Companies Act, 2013 and an intimation to the effect that they are not disqualified from being appointed as a Director(s) in terms of Section 164(2) of the Companies Act, 2013.

Section 149 of Companies Act, 2013 provides that Independent Director(s) shall hold office for a term upto 5 (Five) consecutive years. Further pursuant to the provisions of Section 149 of Companies Act, 2013, Independent Director(s) are not liable to retire by rotation.

A brief profile of Mr. Sheel Dhar Pande and Mr. Dwarakanath Boppana, the nature of their expertise, and the names of companies in which they holds Directorships along with the details of Membership / Chairperson on various committees of the Board of other companies, shareholding in the Company, is annexed to this Notice.

Copy of the draft letter of appointment as Independent Director(s) setting out the terms and conditions 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.

The Board is of the opinion that Mr. Sheel Dhar Pande and Mr. Dwarakanath Boppana 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 Director(s).

Mr. Sheel Dhar Pande and Mr. Dwarakanath Boppana are concerned or interested in the resolution as it relates to their appointment. None of the other Directors and Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in the Resolution.

For and on behalf of the Board

Dwarakanath Boppana

Director

(DIN:02155350)

Place : Mumbai

Date : May 30, 2017

SHAREHOLDER INSTRUCTIONS FOR E-VOTING

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Tuesday, September 26, 2017 at 9 a.m. and ends on Thursday September 28, 2017 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 22, 2017 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.



- 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@cdslindia.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@cdslindia.com.

DIRECTORS' REPORT



To the Shareholders,

Your Directors present herewith the Thirtieth Annual Report and the audited accounts of the Company for the year ended 31st March 2017.

Pursuant to the notification dated February 16, 2015 issued by the Ministry of Corporate Affairs, the Company has adopted the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016. As such financial statements for the year ended as at March 31, 2016 have been restated to conform to Ind AS.

FINANCIAL RESULTS

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

	(₹ in lacs)	
	2016-2017	2015-2016
Loss before Finance Cost & Provision for Taxes	129.25	105.68
Add : Finance Cost	433.70	552.42
Add/Less : Provision for Income Tax (Deferred Tax)	(1.81)	71.95
Loss for the year	561.14	730.05
Add/Less : Total Comprehensive Income	(0.76)	2.45
Profit and Loss Account Balance	1627.15	894.65
Balance available for Appropriation	2187.53	(1627.15)

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 ₹ 54.45 crores as at March 31, 2017 as against ₹ 50.58 crores as on March 31, 2016. The increase in debt was on account of fresh borrowings, interest and payments on behalf of the Company.

HUMAN RESOURCES

As on 31st March 2017, the Company has 8 employees on its roll, excluding the Executive Director.

DIRECTORS

The Board of Directors based on the recommendations of Nomination and Remuneration Committee appointed Mr. Sheel Dhar Pande and Mr. Dwarakanath Boppana as Additional Director(s) under the category of Independent Directors with effect from October 11, 2016. They hold office up to the date of the forthcoming 30th Annual General Meeting and are further proposed to be appointed as Independent Directors of the Company for a period of five years commencing from their date of appointment.

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed both under the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dr. Ajit B. Kerkar, 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.

Mr. Mahendra Lodha and Mr. Arvind S. Herwadkar, Independent Director(s) on the Board of the Company had resigned from the Board, w.e.f. September 13, 2016 and September 29, 2016 respectively, due to personal reasons. The Board places on record its deep appreciation of the valuable contributions made by Mr. Mahendra Lodha and Mr. Arvind S. Herwadkar during their respective tenures as Directors.

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 of Director	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. Shailesh S. Mody	Independent, Non Executive
5.	Mr. Sheel Dhar Pande	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. M. Narayanan (Chairman)	Independent, Non Executive
2.	Mr. Pesi S. Patel	Independent, Non Executive
3.	Ms. Ramola Mahajani	Independent, Non Executive
4.	Mr. Sheel Dhar Pande	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. Sheel Dhar Pande	Independent, Non Executive
5.	Dr. Ajit B. Kerkar	Non Independent, Executive Director

PUBLIC DEPOSITS

During the financial year 2016-17, 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 sub-section (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

Six Board Meetings were held during the year. The Board of Directors of your Company met on May 19, 2016, August 29, 2016, September 30, 2016, November 26, 2016, February 13, 2017 and March 03, 2017.

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

The Auditors, M/s Ray & Ray (FRN 301072E), Chartered Accountants, Statutory Auditors of the Company retire at the conclusion of the 30th Annual General Meeting. They are not eligible for re-appointment as the period of 3 years available to them under third proviso to Section 139 (2) of the Act read with Rule 6 (1) of the Companies (Audit and Auditors) Rules, 2014 ("Rules") will be exhausted at the conclusion of the Annual General Meeting to be held this September 2017.

The Board places on record its deep appreciation of the valuable contributions made by M/s Ray & Ray as Statutory Auditors of the Company for over two decades.

In accordance with the provisions of Section 139 (2) of the Act which provides for rotation of Auditors, the Audit Committee and the Board at their respective meetings held on 30th May 2017, have unanimously recommended to the Shareholders appointment of M/s. K A M G & Associates, Chartered Accountants (Firm Registration No. 311027E) as the Statutory Auditors of the Company





to hold office for 5 (five) consecutive years from the conclusion of the Annual General Meeting scheduled to be held in September 2017 till the conclusion of the Annual General Meeting to be held in the year 2022. This is subject to ratification by Shareholders at every Annual General Meeting.

M/s. K A M G & Associates, Chartered Accountants (Firm Registration No. 311027E) have given a written consent to the Company for appointment as Auditors and has also given a certificate that they satisfy the criteria prescribed in Section 141 of the Act and their appointment, if made, shall be in accordance with the conditions laid down under the Act and Rules.

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 of 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 interest. 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, 2017 is enclosed as Annexure II to the Directors Report.

LOANS, GUARANTEES & INVESTMENTS AS OF MARCH 31, 2017

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 2016-17.

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 2016-17, 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.

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 2016-17.

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.	6,66,930
3.	Sneh Sadan Traders and Agents 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 30, 2017

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, 2017

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

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	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 : Basement ,Chander Mukhi, Nariman Point, Mumbai – 400 021. Tel : 022-66374200 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 101, 247 Park, L. B. S. Marg, Vikhroli (W), Mumbai – 400083. Contact Person: Mr. Mahadevan Iyer Tel No. 022- 4918 6270;Fax 022 4918606.</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:-

Sr. 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 -

Sr. 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)

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 the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Shareholding of Promoter and Promoter Group									
(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 shareholding 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 the year
	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	508143	2800	510943	11.08	510131	2800	512931	11.12	0.04
ii) Overseas	-	-	-	-	-	-	-	-	-
b. Individuals									
1) Individual shareholders holding nominal share capital upto ₹ 1 lakh	311408	81696	393104	8.53	324184	80796	404980	8.78	0.26
2) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1036176	-	1036176	22.48	1019995	-	1019995	22.14	(0.34)
c) Others (specify)	43277	-	43277	0.94	45594	-	45594	0.98	0.04
Sub-total (B)(2):-	1899004	84496	1983500	43.03	1899004	83596	1983500	42.70	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1897504	84496	1983500	43.03	1899004	83596	1983500	42.70	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	4524004	84496	4610000	100	4525504	83596	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			% change in share holding during 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	
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.	6,66,930	14.47	0.00	6,66,930	14.47	0.00	Nil
3.	Sneh Sadan Traders and Agents 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, 2016 and March 31, 2017.

(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	210320	4.56	9092	5005	214407	4.65
2.	Omprakash Hashamatrai Navani	171355	3.72	-	-	171355	3.72
3.	Lavanya Multitrade Private Ltd.	147500	3.20	-	-	147500	3.20
4.	Kats Holding Private Ltd.	45026	0.98	29532	29532	45026	0.98
5.	Manish Shashikant Mehta	177582	3.85	4,00,000	3,50,000	227582	4.94
6.	Lucas Commotrade Pvt. Ltd.	34399	0.75	114491	-	148890	3.23
7.	Cyrus Shavak Patel	37906	0.83	44690	44690	37906	0.83
8.	Swagat Cements Private Ltd.	260520	5.65	-	82500	178020	3.86
9.	Pujit Aggarwal	97000	2.10	-	-	97000	2.10
10.	Kayzad Sirius Eghlim	45000	0.98	-	-	45000	0.98

(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, 2016 and March 31, 2017.



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	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
Change in Indebtedness during the financial year				
• Addition	NIL	3,87,00,000	NIL	3,87,00,000
• Reduction	NIL	NIL	NIL	NIL
Net Change	NIL	3,87,00,000	NIL	3,87,00,000
Indebtedness at the end of the financial year				
i) Principal Amount	NIL	54,45,00,000	NIL	54,45,00,000
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	54,45,00,000	NIL	54,45,00,000

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 ₹12,500.

B. Remuneration to other directors:

Particulars of Remuneration	Name of Directors								Total Amount
	Mr. Mahalingam Narayanan	Mr. Mahendra Lodha	Ms Ramola Mahajani	Mr. Arvind S. Herwadkar	Mr. Pesi S. Patel	Mr. Shailesh S. Mody	Sheel Dhar Pande	B. Dwarkanath	
1. Independent Directors									
• Fee for attending board committee meetings	25,000	Nil	32,500	10,000	20,000	17,500	15,000	7,500	1,27,500
• Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total (1)	25,000	Nil	32,500	10,000	20,000	17,500	15,000	7,500	1,27,500

Sr. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Mr. ABM Good						
	2. Other Non-Executive Directors	Mr. ABM Good						
	• Fee for attending board committee meetings	25,000	Nil	Nil	Nil	Nil	Nil	25,000
	Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total (2)	25,000	Nil	Nil	Nil	Nil	Nil	25,000
	Total (B)=(1+2)	Nil	Nil	Nil	Nil	Nil	Nil	1,52,500
	Total Managerial Remuneration	Nil	Nil	Nil	Nil	Nil	Nil	1,65,000
	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	6,75,000	12,00,000	18,75,000
	(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	6,75,000	12,00,000	18,75,000

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 30, 2017

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



Tulip
Star
Hotels
Ltd.

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, 2017

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, 2017 (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 my 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.

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 30, 2017

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



**Tulip
Star
Hotels
Ltd.**

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 30, 2017

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

ANNEXURE III TO THE DIRECTORS' REPORT

Information under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014



**Tulip
Star
Hotels
Ltd.**

- a. The ratio of remuneration of each director to the median remuneration of the employees of the company for the financial year 2016-17.

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
Mr. Sheel Dhar Pande *	Nil
Mr. Dwarakanath Boppana *	Nil

#Resigned w e f September 13, 2016

^Resigned w e f September 29, 2016

*Appointed w e f October 11, 2016

- b. The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year 2016-17.

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. Sheel Dhar Pande *	Nil
Mr. Dwarakanath Boppana *	Nil
Mr. Sanjeev D Shenvi- Company Secretary	12.50%
Mr Shaunak A Paigankar – Chief Financial Officer	Nil

#Resigned w e f September 13, 2016

^Resigned w e f September 29, 2016

*Appointed w e f October 11, 2016

- 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: 8 – excluding Executive Director.
e. 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 30, 2017

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



Tulip
Star
Hotels
Ltd.

INDEPENDENT AUDITORS' REPORT

To,
The Members of
Tulip Star Hotels Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Tulip Star Hotels Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act.

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 standalone Ind AS 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 standalone Ind AS financial statements based on our audit.

In conducting 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 of the standalone Ind AS financial statements 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 March 31, 2017, and its loss, total comprehensive income/(loss), its cash flows and the changes in equity for the year ended on that date.

Emphasis of matter:

Attention is invited to note number 19, 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 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 including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) 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, 2017.

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.
 - (g) 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, as amended, 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 22 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.
 - iv. The Company has provided requisite disclosures in the standalone Ind AS financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407 (E) dated November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of accounts maintained by the Company and as produced to us.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

Place : Mumbai
Date : May 30, 2017

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

Anil V. Karnik
Partner
Membership No. 31005



ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 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 2017, we report that:

- i. The Company does not have any Fixed Assets.
- ii. 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.
- iii. 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:

Sr.No.	Name of the 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.

- iv. 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:

Sr.No.	Name of the Party	Amount (₹)
1	Non compliance with the provisions of section 185 and 186 of the Act	
2	V Hotels Ltd	37,00,00,000
	Non compliance with the provisions of section 186 of the Act	
2.	Banzai Estates Private Limited	1,15,00,000

- v. The Company has not accepted any deposits from the public.
- vi. 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.
- vii. (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 2017 for a period of more than six months from the date they became payable.

Fringe Benefit Tax	₹ 2.75 Lacs
Service Tax	₹ 10.15 Lacs
Tax Deducted at Source	₹ 80.35 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
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

- 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 given 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 given 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 30, 2017



**Tulip
Star
Hotels
Ltd.**

BALANCE SHEET AS AT MARCH 31, 2017

	Note No.	As At 31.3.2017 ₹	As At 31.3.2016 ₹	As At 01.4.2015 ₹
ASSETS				
NON CURRENT ASSETS				
Financial Assets				
Investment	3	22,03,57,000	22,03,57,000	22,03,57,000
Other Financial Assets	4	37,00,00,000	37,00,00,000	37,00,00,000
Deferred tax assets (net)	5	92,88,270	91,40,374	1,62,26,540
Other non-current assets	6	1,89,52,317	1,87,01,827	1,94,73,927
CURRENT ASSETS				
Financial Assets				
Other Bank balance	7	2,77,456	2,73,706	2,12,503
Other Current Assets	8	–	4,205	42,135
TOTAL ASSETS		61,88,75,043	61,84,77,112	62,63,12,105
EQUITY AND LIABILITIES				
EQUITY				
Equity Share Capital	9	4,61,00,000	4,61,00,000	4,61,00,000
Other Equity	10	(9,17,69,374)	(3,57,32,908)	3,75,17,171
LIABILITIES				
Non-Current Liabilities				
Financial Liabilities				
Borrowings	11	13,84,00,000	13,84,00,000	13,84,00,000
Provisions	12	51,58,191	52,68,022	49,13,582
CURRENT LIABILITIES				
Financial Liabilities				
Borrowings	13	40,61,00,000	36,74,00,000	31,61,00,000
Provisions	14	2,04,00,000	2,04,00,000	2,04,00,000
Other Current Liabilities	15	9,44,86,226	7,66,41,998	6,28,81,352
TOTAL EQUITY AND LIABILITIES		61,88,75,043	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

Place : Mumbai
Date : May 30, 2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017



	Note No.	₹	₹	Previous Year ₹
REVENUE				
Other Income	16		3,750	3,750
Total Revenue			3,750	3,750
EXPENSES				
Employee Benefits Expenses	17	52,08,129		46,02,844
Finance Cost		4,33,69,730		5,52,42,041
Other Expenses	18	77,20,084		59,68,338
Total Expenses			5,62,97,943	6,58,13,223
Loss before Exceptional Items and Tax			5,62,94,943	6,58,09,473
Prior Period Adjustment		—		—
Excess Provision Written Back		—		—
Loss Before Tax			5,62,94,943	6,58,09,473
Tax Expenses				
Current tax (Incl Provision for earlier years)		—		—
Deferred tax		(1,81,834)		71,95,688
			(1,81,834)	71,95,688
Loss for the year			5,61,12,359	7,30,05,161
Other Comprehensive Income				
Items that may not be reclassified to Profit and Loss				
Remeasurement of Post-employment benefit obligations			(1,09,832)	3,54,440
Tax relating to these items			33,939	(1,09,522)
Total Other Comprehensive Income / (Loss) for the Year, Net of Tax			75,893	(2,44,198)
Total Comprehensive Income / (Loss)			5,60,36,466	7,32,50,079
Earning per equity share:				
Basic & Diluted	24		(12.17)	(15.84)
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 30, 2017



**Tulip
Star
Hotels
Ltd.**

CASH FLOW STATEMENT

	31.03.2017	31.03.2016
	₹	₹
A. Cash Flow from Operating Activities		
Loss before Tax	5,62,94,193	6,58,09,473
adjustments for		
Finance Cost	4,33,69,730	5,52,42,041
Dividend on long term investments (non-trade)	3,750	3,750
Operating Profit before working capital changes	<u>1,29,28,213</u>	<u>1,05,71,182</u>
(Increase)/decrease in loans and advances	(2,46,285)	810,030
Increase/(decrease) trade and other payables	<u>5,65,44,228</u>	<u>6,50,60,646</u>
	5,62,97,943	6,58,70,676
Cash generated from operations	4,33,69,730	5,52,99,494
Direct taxes paid	-	-
Net cash generated / (used in) from operations	<u>4,33,69,730</u>	<u>5,52,99,494</u>
B. Cash Flow from Investing Activities		
Sale of Investment	-	-
Dividend income	3,750	3,750
Sale of Fixed Assets	-	-
Net cash from / (used in) Investing Activities	<u>3,750</u>	<u>3,750</u>
C. Cash Flow from Financing Activities		
Interest expenses	4,33,69,730	5,52,42,041
Net cash from / (used in) Financing Activities	<u>(4,33,69,730)</u>	<u>(5,52,42,041)</u>
Net (decrease) / increase in cash and cash equivalents	3,750	61,203
Cash and cash equivalents at the beginning of the year	2,73,706	2,12,503
Cash and cash equivalents at the end of the year	2,77,456	2,73,706

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 30, 2017

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2017



A. Equity Share Capital				
As at April 1, 2015				4,61,00,000
Changes in equity share capital during the year				Nil
As at March 31, 2016				4,61,00,000
Changes in equity share capital during the year				Nil
As at March 31, 2017				4,61,00,000
	Share Premium	General Reserve	Retained Earnings/ (Carry Forward Deficit)	Total
	₹	₹	₹	₹
B. Other equity				
Balance at April 1, 2005	11,10,00,000	1,59,82,181	(8,94,65,010)	3,75,17,171
Loss for the year	-	-	(7,30,05,161)	(7,30,05,161)
Other comprehensive income/(loss) for the year, net of tax	-	-	(2,44,918)	(2,44,918)
Total Comprehensive income for the year	-	-	(7,32,50,079)	(7,32,50,079)
Balance as at March 31, 2016	11,10,00,000	1,59,82,181	(16,27,15,089)	(3,57,32,908)
Balance at April 1, 2016	11,10,00,000	1,59,82,181	(16,27,15,089)	(3,57,32,908)
Loss for the year	-	-	(5,61,12,359)	(5,61,12,359)
Other comprehensive income/(loss) for the year, net of tax	-	-	75,893	75,893
Total comprehensive income/ Loss for the year	-	-	(5,60,36,466)	(5,60,36,466)
Balance as at March 31, 2017	11,10,00,000	1,59,82,181	(21,87,51,555)	(9,17,69,374)

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 30, 2017



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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. The financial statements were authorised for issue by the Board of Directors on 30th May, 2017.
2. **ACCOUNTING POLICIES: -**

Significant accounting policies adopted in the presentation of accounts are as under:

 - (a) **Basis of Preparation**
 - (i) Compliance with Ind AS
The financial statements have been prepared in accordance with the Companies (Indian Accounting Standard) Rules, 2015 as a going concern on an accrual basis. The financial statements up to year ended 31 March 2016 were prepared earlier in accordance with the accounting standards notified under the Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.
These financial statements are the first financial statements of the company under Ind AS and the transition was carried out in accordance with Ind AS 101, "First time adoption of Indian Accounting Standards. Refer note 30 for an explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows.
 - (ii) Historical cost convention
The financial statements have been prepared on a historical cost basis
 - (iii) Use of estimates
In preparing the financial statements in conformity with accounting principles, management is required to make estimates and assumptions that may affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of financial statements and the amounts of revenue and expenses during the reported period. Actual results could differ from those estimates. Any revision to such estimates is recognized in the period the same is determined.
 - (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) **Property, Plant And Equipment**
All items of property, plant and equipment are stated at historical cost less depreciation. Historical Cost represents direct expenses incurred on acquisition or construction of the assets and the share of indirect expenses relating to construction allocated in proportion to the direct cost involved.
Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred. Capital work-in-progress comprises the cost of property, plant and equipment that are not yet ready for their intended use on the reporting date and materials at site.
 - (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 date are transferred to the Profit and Loss Account.

**NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017**



(i) Employee Benefits

Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company's has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably

Post-Employment Employee Benefits

Defined contribution plans

The Company makes specified monthly contributions towards employee provident fund directly to the Government under the Employees Provident Fund Act, 1952 and is not obliged to bear the shortfall, if any, between the return on investments made by the Government from the contributions and the notified interest rate.

Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets, if any..

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company's, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in OCI. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss.

Other long-term employee benefits

Long-term Compensated Absences are provided for on the basis of an actuarial valuation, using the Projected Unit Credit Method, as at the date of the Balance Sheet. Actuarial gains/losses comprising of experience adjustments and the effects of changes in actuarial assumptions are immediately recognized in the Statement of Profit and Loss.

(j) Taxes

a) Income tax: Current income tax is recognized based on the amount expected to be paid to the tax authorities, using tax rates and tax laws that have been enacted or substantially enacted on the date of balance sheet.

b) Deferred tax: Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the separate financial statements.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively

(k) 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.

(l) 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.



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3. Non Current Investments

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
	₹	₹	₹
Trade Investment (measured at cost)			
Investment in Associates - V Hotels Limited (Refer Note Nos. 19, 20 and 21)			
22,00,000 equity shares (Prev. Year - 22,00,000) of ₹ 10/- each fully paid up	21,99,82,000	21,99,82,000	21,99,82,000
25,000 Redeemable Preference Shares (Prev. Year - 50,000) of ₹ 100/- each fully paid up	2,50,000	2,50,000	2,50,000
Other Investments (measured at fair value through P&L) -			
The Saraswat Co-Op Bank Ltd. 2,500 (Prev. Year - 2,500) equity Shares of ₹ 10/- each fully paid up	25,000	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	1,00,000
Total	22,03,57,000	22,03,57,000	22,03,57,000
Aggregate amount of unquoted Investments	22,03,57,000	22,03,57,000	22,03,57,000

4. Non Current Other Financial Assets

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
	₹	₹	₹
Due from Associated Company V Hotels Limited Unsecured, considered good	37,00,00,000	37,00,00,000	37,00,00,000
Total	37,00,00,000	37,00,00,000	37,00,00,000

5. Deferred Tax Assets (Net)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
	₹	₹	₹
Deferred Tax Assets are attributable to the following items			
Provision for Gratuity	8,82,680	7,04,991	6,36,156
Provision for Leave Encashment	8,37,917	8,67,710	8,27,022
Expenses allowable for tax purposes on payment	75,67,673	75,67,673	1,47,63,362
Total	92,88,270	91,40,374	1,62,26,540

6. Other Non Current Assets

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
	₹	₹	₹
'Sundry Deposits Unsecured, considered good	1,16,19,316	1,16,19,316	1,16,19,316
Loans to employees	67,31,161	64,94,761	70,32,861
Advances recoverable in cash or kind Unsecured, considered good	6,01,840	5,87,750	8,21,750
Advances recoverable in cash or kind Unsecured, considered Doubtful	15,00,000	15,00,000	15,00,000
Provision for Doubtful Advances	15,00,000	15,00,000	15,00,000
Total	1,89,52,317	1,87,01,827	1,94,73,927

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7. Other Bank balances

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
	₹	₹	₹
Balance in Current Accounts	2,77,456	2,73,706	2,12,503
Total	2,77,456	2,73,706	2,12,503

8. Other Current Assets

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
	₹	₹	₹
Prepaid Expenses	–	4,205	42,135
Total	–	4,205	42,135

9. Share Capital

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
	₹	₹	₹
Authorised 100,00,000 Equity Shares of ₹10/- each	10,00,00,000	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	4,61,00,000
Total issued, subscribed and fully paid-up share capital	4,61,00,000	4,61,00,000	4,61,00,000

Reconciliation of equity shares						
	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	No. of shares	₹	No. of shares	₹	No. of shares	Amount ₹
Balance at the beginning of the year	46,10,000	4,61,00,000	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	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 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	No. of shares	% Holding In the class	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	14,02,500	30.42
Liz Traders and Agents Private Ltd.	6,66,930	14.47	6,66,930	14.47	6,66,930	14.47



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Particulars	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
Sneh Sadan Traders and Agents Ltd.	2,83,000	6.14	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	2,74,070	5.95
Swagat Cements Pvt Ltd	1,78,020	3.86	2,60,520	5.65	2,60,520	5.65

10. Other Equity

Particulars	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	₹	₹	₹	₹	₹	₹
General Reserve						
As per last Financial Statement	1,59,82,181		1,59,82,181		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		11,10,00,000		11,10,00,000
Surplus in the statement of profit and loss						
As per last Financial Statement	(16,27,15,089)		(8,94,65,010)		(4,22,46,917)	
Less :- Loss for the Year	5,61,12,359		(7,30,05,161)		(4,22,46,917)	
Less Remeasurements of post-employment benefit obligation, net of tax	75,893		(2,44,918)			
		(21,87,51,555)		(16,27,15,089)		(8,94,65,010)
Total		(9,17,69,374)		(3,57,32,908)		3,75,17,171

11. Non-Current Borrowings

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
	₹	₹	₹
Unsecured Loans from Associated Company	13,84,00,000	13,84,00,000	13,84,00,000
Total	13,84,00,000	13,84,00,000	13,84,00,000

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

12. Provisions

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
	₹	₹	₹
Provision for Taxation (Net of Taxes Paid)	2,09,529	2,09,529	2,09,529
Provision for employee benefits	49,48,662	50,58,493	47,04,053
Total	51,58,191	52,68,022	49,13,582

13. Current Borrowings

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
	₹	₹	₹
Unsecured Loans from Associated Companies	32,67,00,000	29,75,00,000	26,27,00,000
Unsecured Loans from Others	7,94,00,000	6,99,00,000	5,34,00,000
Total	40,61,00,000	36,74,00,000	31,61,00,000

Note on Unsecured Loan from Associated Companies

The Unsecured Loans carry Interest @10% p.a. (last Year 15%) and said loans are to be repaid on demand

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14. Provisions

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
	₹	₹	₹
Provision for Taxation	2,04,00,000	2,04,00,000	2,04,00,000
Total	2,04,00,000	2,04,00,000	2,04,00,000

15. Other Current Liabilities

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
	₹	₹	₹
Statutory Dues Payable	1,71,07,929	1,15,61,728	1,04,45,233
Due to Associate Companies	7,01,76,121	6,07,26,097	4,69,40,688
Others	72,02,176	43,54,173	54,95,431
Total	9,44,86,226	7,66,41,998	6,28,81,352

16. Other Income

Particulars	Current Year	Previous Year
	₹	₹
Dividend	3,750	3,750
Total	3,750	3,750

17. Employee Benefits Expenses

Particulars	Current Year	Previous Year
	₹	₹
Salaries, bonus, etc.	32,22,794	40,43,106
Contribution to Provident & Other Funds	4,09,547	4,73,730
Gratuity	7,89,432	-
Staff Welfare	7,86,356	86,008
Total	52,08,129	46,02,844

18. Other Expenses

Particulars	Current Year	Previous Year
	₹	₹
Printing and Stationery	1,09,350	99,750
Travelling and Conveyance	2,88,962	1,90,145
Communication Expenses	1,20,498	1,14,351
Auditors' Remuneration – (see note below)	1,69,625	1,17,213
Professional Fees	42,29,966	18,41,602
Directors Sitting Fees	1,65,000	1,50,000
Advertisement	1,94,976	2,17,136
Electricity expenses	5,26,836	9,41,709
Vehicle Expenses	12,74,075	15,99,512
Service Tax	28,250	59,579
Sundry Advances Written Off	-	
Sundry Expenses	6,12,546	6,37,341
Total	77,20,084	59,68,338



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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Note: - Auditors' Remuneration includes

Particulars	Current Year	Previous Year
	₹	₹
Audit Fees	66,125	65,838
Other Matters	1,03,500	51,375
Total	1,69,625	1,17,213

19. The Company was a confirming party to a 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. VHL, vide its notice of arbitration dated 6th October 2005 terminated MAPA and the same was subject matter of arbitration before Sole Arbitrator Mr. Justice S.N. Variava (Retd.) duly appointed by Hon'ble Bombay High Court. An award was passed by the Ld. 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. VHL 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. 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.
20. The Company holds long term investments of ₹21,99,82,000 in the equity shares of V Hotels Ltd. which owns Hotel Tulip Star, Mumbai. The operations of the said hotel has been suspended since April, 2005 due to operational and financial constraints. The management of V Hotels Ltd. has conveyed its intention to put into action a business plan with immediate effect, in order to resume commercial operations of the said Hotel. In view of this, the Management is of the view that its investment in V Hotels Ltd. retains its strategic value.
21. M/s Asset Reconstruction Company (India) Limited (ARCIL) (to whom certain Banks have assigned their loans, which were advanced by them to V Hotels Limited) 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 informed the Company that the said matter is under legal adjudication and ARCIL cannot initiate any precipitative action against the assets of VHL. The Management of the Company has evaluated the effect of the developments on its equity shareholding in 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 underlying asset of V Hotels Ltd., being the hotel property, continues to remain in its ownership and possession and its estimated market / realizable value being far in excess of its aggregate liabilities, the 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 :-**
- a) 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.
- B) Penalty notice u/s 221(1) of the Income Tax Act 1961 for ₹40.34 Lacs for the non payment of Income Tax dues.

23. RELATED PARTY DISCLOSURES :

- a) 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. A. B. Kerkar
Ms. Ramola Mahajani
Mr. M. Narayanan
Mr. Mahendra Lodha (Resigned w e f 13.09.2016)

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Mr. Arvind S. Herwadkar (Resigned w e f 29.09.2016)
Mr. Pesi S. Patel
Mr. Shailesh S. Mody
Mr. Sheel Dhar Pande (Appointed as Additional Director w e f 11.10.2016)
Mr. Dwarakanath Boppana (Appointed as Additional Director w e f 11.10.2016)
Mr. Sanjeev D Shenvi
Mr. Shaunak A Paigankar



b) Transactions with Related Parties:

	Associates ₹	Key Management Personnel ₹
Interest Payment	3,81,53,965 (3,84,02,118)	
Director's Sitting Fees		1,65,000 (1,50,000)
Salary		18,75,000 (18,00,000)
Loans granted Outstanding as of March 31, 2017	37,00,00,000 (37,00,00,000)	
Advances received	— (57,452)	
Advances paid	— (—)	
Payments made by Company on behalf of Related Party	74,432 (12,81,116)	
Payments made by Related Party on behalf of Company	10,555,888 (1,52,51,479)	
Loans taken outstanding as of March 31, 2017	46,51,00,000 (43,59,00,000)	

C) Amount of loans / advances in nature of loans outstanding from Subsidiaries and Associates during 2016-17

	Name of the Company	O/s as of March 31, 2017.	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

	March 31, 2017	March 31, 2016
	₹	₹
a) Basic earnings per share	(12.17)	(15.84)
b) Diluted earnings per share	(12.17)	(15.84)
c) Reconciliations of earnings used in calculating earnings per share		
Loss attributable to the equity holders of the company used in calculating basic earnings per share	5,61,12,359	7,30,05,161
Loss attributable to the equity holders of the company used in calculating diluted earnings per share	5,61,12,359	7,30,05,161



d) Weighted average number of shares used as the denominator		
Weighted average number of equity shares used as they used as the denominator in calculating basic earnings per share	46,10,000	46,10,000
Adjustments for calculation of diluted earnings per share	–	–
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share	46,10,000	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.
29. Transactions by the company in Specified Bank Notes (SBNs) and in other denomination notes as defined in the MCA notification G.S.R. 308(E) dated March 30, 2017 during the period from November 8, 2016 to December 30, 2016 are given below:

	SBNs	Other denomination notes	₹ Total
Closing cash in hand as on 08.11.2016	Nil	Nil	Nil
Add: Permitted Receipts	Nil	Nil	Nil
Less: Permitted Payments	Nil	Nil	Nil
Less: Amount Deposited in Banks	Nil	Nil	Nil
Closing Cash in Hand as on 30.12.2016	Nil	Nil	Nil

30. First-time adoption of Ind AS Transition to Ind AS

These are the Company’s first financial statements prepared in accordance with Ind AS. The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended March 31, 2017, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet at April 1, 2015 (date of transition to Ind AS). In preparing its opening Ind AS balance sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act.

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A. Exemptions and exceptions availed

A.1 Ind AS optional exemptions

(a) Investments in subsidiaries, joint ventures and associates

Ind AS 101 permits a first-time adopter to measure its investments in subsidiaries, joint ventures and associates at deemed cost, which should be either:

- (i) fair value at the entity’s date of transition to Ind AS in its separate financial statements; or
- (ii) previous GAAP carrying amount at that date

The company has elected to measure in its separate financial statements all of its investments in associates at their previous GAAP carrying amount on the date of transition.

A.2 Ind AS mandatory exceptions

(a) Estimates

Estimates made under Ind AS as at April 1, 2015 are consistent with the estimates as under previous GAAP.

(b) Classification and measurement of financial assets

Ind AS 101 requires that an entity should assess the classification of its financial assets on the basis of facts and circumstances exist on the date of transition. Accordingly, in its Opening Ind AS Balance Sheet, the company has classified all the financial assets on basis of facts and circumstances that existed on the date of transition, i.e. April 1, 2015.

B. Reconciliation between previous GAAP and Ind AS :

Reconciliation of total comprehensive income for the year ended March 31, 2017

	Year ended March 31, 2017 Amount in ₹
Loss after tax as per previous GAAP	7,32,50,079
Re-measurement of Post-employment benefit obligations (Net of Tax)	2,44,918
Loss after tax as per Ind AS	73,005,161
Other comprehensive income (Net of Tax)	2,44,918
Total comprehensive income as per Ind AS	7,32,50,079

Re-measurement of Post-employment benefit obligations (Net of Tax)

Under Ind AS, all items of income and expense recognized in a period should be included in profit and loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognized in profit and loss but are shown in the statement of profit and loss as 'other comprehensive income' includes re-measurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP. Accordingly, loss on re-measurements of post-employment benefit obligation has been reclassified to the Other Comprehensive Income for the period.

31. Financial instruments - Fair values and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities if the carrying amount is a reasonable approximation of fair value.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3: Inputs for the asset or liability that are not based on observable market data.

Following methods and assumptions are used to estimate the fair values:

Fair value of Other Bank Balances, Term deposits, Long Term borrowings, Other Current Liabilities and Short Term Borrowings carried at amortized cost which is not materially different from its carrying cost largely due to short term maturities of these financial assets and liabilities.

Other Investments, Loan to Associate Company and Loans to Employee are categorized under Fair Value Through Profit & Loss and qualify for valuation under Level 3 inputs. In the opinion of the Management the carrying values of these financial assets represent their fair value.

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments that are recognized in financial statements.

March 31, 2017	Carrying Amount In ₹.. in Lacs				Fair Value in ₹. In Lacs		
	FVTPL	FVTOC	Amortized Cost	Total	Level 1 Quoted price in active markets	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs
Financial Assets							
Non-current Investments							
Shares	1.25	-	-	1.25	-	-	1.25
Loans to Associate Company	3700.00			3700.00			3700.00
Loans to employees	67.31	-	-	67.31	-	-	67.31
'Sundry Deposits		-	116.19	116.19	-	-	-
Other Bank Balances		-	2.77	2.77	-	-	-
	3768.56	-	118.96	3887.52	-	-	3768.56
Financial Liabilities							
Long-term borrowings	-	-	1384.00	1384.00	-	-	-
Short term Borrowings	-	-	4061.00	4061.00	-	-	-
Other Financial Liabilities	-	-	944.86	944.86	-	-	-
	-	-	6389.86	6389.86	-	-	-



March 31, 2016	Carrying Amount In ₹.. in Lacs				Fair Value in ₹. In Lacs		
	FVTPL	FVTOC	Amortized Cost	Total	Level 1 Quoted price in active markets	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs
Financial Assets							
Non-current Investments							
Shares	1.25	-	-	1.25	-	-	1.25
Loans to Associate Company	3700.00			3700.00			3700.00
Loans to employees	64.95	-	-	64.95	-	-	64.95
'Sundry Deposits		-	116.19	116.19	-	-	-
Other Bank Balances		-	2.74	2.74	-	-	-
	3766.20	-	118.93	3885.13	-	-	3766.20
Financial Liabilities							
Long-term borrowings	-	-	1384.00	1384.00	-	-	-
Short term Borrowings	-	-	3674.00	3674.00	-	-	-
Other Financial Liabilities	-	-	766.42	766.42	-	-	-
	-	-	5824.42	5824.42	-	-	-

April 01, 2015	Carrying Amount In ₹.. in Lacs				Fair Value in ₹. In Lacs		
	FVTPL	FVTOC	Amortized Cost	Total	Level 1 Quoted price in active markets	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs
Financial Assets							
Non-current Investments							
Shares	1.25	-	-	1.25	-	-	1.25
Loans to Associate Company	3700.00			3700.00			3700.00
Loans to employees	70.33	-	-	70.33	-	-	70.33
'Sundry Deposits		-	116.19	116.19	-	-	-
Other Bank Balances		-	2.13	2.13	-	-	-
	3771.58	-	118.32	3889.90	-	-	3771.58
Financial Liabilities							
Long-term borrowings	-	-	1384.00	1384.00	-	-	-
Short term Borrowings	-	-	3161.00	3161.00	-	-	-
Other Financial Liabilities	-	-	628.81	628.81	-	-	-
	-	-	5,173.81	5,173.81	-	-	-

B. Measurement of fair values

i) Transfers between Levels 1 and 2

There have been no transfers between Level 1 and Level 2 during the reporting periods.

ii) Level 3 fair values

Non-listed shares and other securities fall within level 3 of the fair value hierarchy.

C. Risk Management

The Company's present scale and volume of activities exposes it to credit risk and liquidity risk. This note explains these risks and how the Company manages these risks.

The Company's risk management is carried by the senior management under reporting to the Board of Directors.

1. Credit risk

This risk arises from a party to a financial instrument failing to discharge its obligation causing a financial loss to the Company. The Company's exposure in respect of financial instruments mainly comprises of interest free advance to an associate company repayable on demand and interest free advances to employees.

The management keeps a close watch on the affairs of the associate company and thus ensures that the ultimate recovery of its loans is not at risk.

Loans to employees are recovered through salaries of present employees and through end of service dues of employees leaving the Company's service.

2. Liquidity risk

This is a risk that the Company may encounter difficulties in meeting its obligations associated with financial liabilities on account of its credit risk.

The management mainly has obligations towards repayment of loans from associates and group companies and has appropriate understanding with these companies for repayment of these loans which is co-related with recovery of its loan from the associate company.

32. Disclosure as per IND AS 19 (Revised) "Employee Benefits" are as under:

Defined contribution plan

Contribution to Defined Contribution Plan, recognized are charged off for the year are as under:

Particulars	As at 31.03.2017	As at 31.03.2016
	₹	₹
Employer's contribution to Provident Fund and Family Pension Fund	3,73,548	4,39,162
Employer's contribution to ESIC	35,999	34,568
Total	4,09,547	4,73,730

The Company operates post retirement benefit plans as follows:

I. Reconciliation of opening and closing balances of defined benefit obligation Gratuity (unfunded)

Particulars	As at 31.03.2017	As at 31.03.2016
	₹	₹
Defined benefit obligation at beginning of the year	22,50,370	20,27,605
Current service cost	56,309	87,842
Interest cost	1,79,805	1,60,586
Actuarial (gain)/loss	(2,49,531)	(25,663)
Benefits paid	–	–
Defined benefit obligation at year end	22,36,953	22,50,370

ii. Reconciliation of fair value of assets and obligations Gratuity (unfunded)

Particulars	As at 31.03.2017	As at 31.03.2016
	₹	₹
Fair value of plan assets	NIL	NIL
Present value of obligation	22,36,953	22,50,370
Amount recognized in Balance Sheet	22,36,953	22,50,370

iii. Expenses recognized during the year Gratuity (unfunded)

Particulars	As at 31.03.2017	As at 31.03.2016
	₹	₹
Current service cost	56,309	87,842
Interest cost on benefit obligation	1,79,805	1,60,586
Actuarial (gain)/loss recognized in the year	(2,49,531)	(25,663)
Expected return on plan assets	–	–
Net benefit expense/(income)	(13,417)	2,22,765



iv. Actuarial assumptions
Gratuity (unfunded)

Particulars	As at 31.03.2017	As at 31.03.2016
	₹	₹
Expected Return on Plan Assets	N.A.	N.A.
Rate of Discounting	7.51% p.a. (Indicative G. Sec referenced on 31-03-2017)	7.99% p.a. (Indicative G. Sec referenced on 31-03-2017)
Rate of Salary Increase	5.00%	5.00%
Rate of Employee Turnover	2.00%	2.00%
Mortality Rate During Employment	Indian Assured Lives Mortality(2006-08)	Indian Assured Lives Mortality(2006-08)
Mortality Rate After Employment	N.A.	N.A.

v. Sensitivity Analysis – Gratuity
Gratuity (unfunded)

Particulars	As at 31.03.2017	As at 31.03.2016
	₹	₹
Projected Benefit Obligation on Current Assumptions	22,36,953	22,50,370
Delta Effect of +1% Change in Rate of Discounting	(1,20,167)	(1,66,364)
Delta Effect of -1% Change in Rate of Discounting	1,37,104	1,91,895
Delta Effect of +1% Change in Rate of Salary Increase	1,39,192	1,95,769
Delta Effect of -1% Change in Rate of Salary Increase	(1,23,956)	(1,72,292)
Delta Effect of +1% Change in Rate of Employee Turnover	25,501	47,594
Delta Effect of -1% Change in Rate of Employee Turnover	(27,812)	(52,316)

Additional Details

Methodology Adopted for ALM	Projected Unit Credit Method
Usefulness and Methodology adopted for Sensitivity analysis	Sensitivity analysis is an analysis which will give the movement in liability if the assumptions were not proved to be true on different count. This only signifies the change in the liability if the difference between assumed and the actual is not following the parameters of the sensitivity analysis.
Stress Testing of Assets	N.A. - as benefit is unfunded
Investment Strategy	N.A. - as benefit is unfunded
Comment on Quality of Assets	N.A. - as benefit is unfunded
Management Perspective of Future Contributions	N.A. - as benefit is unfunded

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 30, 2017



**Tulip
Star
Hotels
Ltd.**

THIRTIETH ANNUAL REPORT 2016-2017

If undelivered, please return to :

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