

**32<sup>nd</sup> Annual Report  
2018-2019**



**TULIP STAR HOTELS LTD.**



## **BOARD OF DIRECTORS**

**A. B. M. GOOD**

Chairman

**DR. AJIT B. KERKAR**

Managing Director

**MAHALINGAM NARAYANAN**

**PESI S. PATEL**

**SHAILESH S. MODY**

**RAMOLA MAHAJANI**

**SHEEL DHAR PANDE**

**DWARAKANATH BOPANA**

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## **CHIEF FINANCIAL OFFICER**

Shaunak A. Paigankar

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## **COMPANY SECRETARY**

Monika Jain

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## **AUDITORS**

K A M G & Associates

Chartered Accountants

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## **REGISTERED OFFICE**

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

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## **CORPORATE OFFICE**

Chander Mukhi,  
Nariman Point, Mumbai - 400 021.

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## **SECRETARIAL OFFICE**

Chander Mukhi,  
Nariman Point, Mumbai - 400 021.

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## **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 Thirty Second 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 Monday, September 30, 2019 at 3.00 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, 2019, the Statement of Profit and Loss for the year ended March 31, 2019 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.

For and on behalf of the Board

Place : Mumbai  
Date : May 29, 2019

**Dwarakanath Boppana**  
*Director*  
(DIN:02155350)

### NOTES :

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY AT THE REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING 50 (FIFTY) AND HOLDING IN THE AGGREGATE NOT MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. A MEMBER HOLDING MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.**
- During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
- Members / proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
- The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the meeting.
- The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the meeting.
- The Register of Members and the Share Transfer Books of the Company under the physical mode will remain closed from Tuesday, September 24, 2019 to Monday, September 30, 2019 (both days inclusive).
- Electronic copy of the Notice of the 32nd Annual General Meeting and Annual Report for 2018-19 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 32nd Annual General Meeting and Annual Report for 2018-19 are being sent in the permitted mode.
- Members desirous of obtaining any information concerning the accounts of the Company are requested to send their queries to the Company's Secretarial Office at Chander Mukhi, Nariman Point, Mumbai 400 021 at least 15 days before the date of the meeting, so that the information required by the members may be made available at the meeting.
- 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.
- 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.
- 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.

12. 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.

13. 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.

14. As per the requirement of the Secretarial Standard – 2 on “General Meetings” the route map showing directions to reach the venue of the Meeting forms part of the Annual Report.

15. 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	–

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

16. Electronic copy of the Notice convening the 32<sup>nd</sup> 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 32<sup>nd</sup> 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 29, 2019

**Dwarakanath Boppna**  
Director  
(DIN:02155350)

## SHAREHOLDER INSTRUCTIONS FOR E-VOTING



Tulip  
Star  
Hotels  
Ltd.

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on Friday, September 27, 2019 at 9 a.m. and ends on Sunday September 29, 2019 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 Monday, September 23, 2019 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](http://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"> <li>• 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.</li> </ul>
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"> <li>• 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)</li> </ul>

- (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](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto: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](mailto: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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

## DIRECTORS' REPORT



### To The Shareholders,

Your Directors present herewith the Thirty Second Annual Report and the audited accounts of the Company for the year ended 31st March 2019.

### FINANCIAL RESULTS

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

	(₹ in lacs)	
	2018-2019	2017-2018
Loss before Finance Cost & Provision for Taxes	107.31	97.95
<b>Add : Finance Cost</b>	706.77	481.14
<b>Add/Less : Provision for Income Tax (Deferred Tax)</b>	(19.45)	(94.60)
Loss for the year	<u>794.63</u>	<u>484.49</u>
<b>Add/Less : Total Comprehensive Income</b>	0.57	(11.37)
Profit and Loss Account Balance	2704.05	2230.93
Balance available for Appropriation	<u>(3499.25)</u>	<u>(2704.05)</u>

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

### DIVIDENDS

The Directors regret their inability to recommend dividend.

### FINANCE

The total borrowings stood at Rs. 64.74 crores as at March 31, 2019 as against Rs. 58.61 crores as on March 31, 2018. The increase in debt was on account of fresh borrowings, interest and payments on behalf of the Company.

### HUMAN RESOURCES

As on 31st March 2019, the Company has 5 employees on its roll, excluding the Executive Director,

### DIRECTORS

The Board of Directors, based on the recommendations of Nomination and Remuneration Committee revised, the Sitting Fees to Rs. 10,000 from Rs. 2,500 per Board Meeting and the Sitting Fees for attending the Committee Meetings to Rs. 5,000 from Rs. 2,500 per Committee Meeting w e f 01.04.2018.

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.

The Members voted for the continuation of directorship of Mr. Anthony Bruton Meyrick Good (DIN ; 00189453), aged 86 years, as an Non-Executive Director of the Company with effect from April 1, 2019 as required by the Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable provisions of the Companies Act, 2013 and in accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations 2018 in the poll held pursuant to the Notice dated April 25, 2019. The Voting was carried out by Postal Ballot including E Voting.

### 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 2018-19, 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**

Your Company has zero tolerance for sexual harassment at its workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace.

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

### **EXTRACT OF ANNUAL RETURN (MGT 9)**

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

### **DETAILS OF BOARD MEETING HELD**

Four Board Meetings were held during the year. The Board of Directors of your Company met on May 29, 2018, August 13, 2018, November 13, 2018 and February 13, 2019.

### **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 judgements 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**

Members at the 30th Annual General Meeting appointed 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 till the conclusion of the Annual General Meeting to be held in the year 2022.

Pursuant to the Companies Amendment Act, 2018 the Company need not pass any resolution for appointment of Auditors at every Annual General Meeting if Auditors have been appointed for fixed term of 5 years and there is no change in Auditors is required.

M/s. K A M G & Associates, Chartered Accountants (Firm Registration No. 311027E) have also 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.

As such M/s K A M G & Associates will continue to be Statutory Auditor of the Company and will audit the Book of Accounts of the Company for Financial Year 2019-20.



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.

### **SECRETARIAL STANDARDS**

During the year, the Company has complied with the applicable Secretarial Standards.

### **LOANS, GUARANTEES & INVESTMENTS AS OF MARCH 31, 2019**

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 2018-19.

The Members consented to increase the limits, applicable for making investments / extending loans and giving guarantees or providing securities in connection with loans to Persons / Bodies Corporate, to Rs. 1,000 Crores in the poll held pursuant to the Notice dated April 25, 2019. The Voting was carried out by Postal Ballot including E Voting.

### **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 2018-19, 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 II 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 crores and net worth not exceeding INR 25 crores, 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 2018-19.

### 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](http://www.tulipstarhotel.com)

### ORDERS BY REGULATORS, COURTS OR TRIBUNALS

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

### GROUP

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

Sr. No.	Name	Shares held
1.	Cox & Kings Limited	14,02,500
2.	Liz Traders And Agents Private Ltd. (Formerly known as Liz Investments Private Limited)	6,66,930
3.	Sneh Sadan Traders And Agents Limited (Formerly known as Sneh Sadan Graphic Services Limited)	2,83,000
4.	Dr. Ajit B. Kerkar / Mrs. Elisabetha 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 29, 2019

**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, 2019

[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><b>Registered Office</b> Indra Palace Building, H-Block, Middle Circle, Connaught Circus, New Delhi - 110 001. Tel: 011-23738811 Fax: 011-23317373</p> <p><b>Corporate Office :</b> 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. 022-49186000; Fax 022 49186060.</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	55101	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 2018				No. of Shares held at the end of the year 2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Shareholding of Promoter and Promoter Group</b>									
<b>(1) Indian</b>									
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	56.98	2626500	–	2626500	56.98	Nil
<b>(2) Foreign</b>									
NRI's - Individuals	–	–	–	–	–	–	–	–	–
Other – Individuals	–	–	–	–	–	–	–	–	–
Bodies Corp.	–	–	–	–	–	–	–	–	–
Banks / FI	–	–	–	–	–	–	–	–	–
Any Other....	–	–	–	–	–	–	–	–	–
Sub-total (A) (2):-									
Total share-holding of Promoter (A) = (A)(1)+(A)(2)	2626500	–	2626500	56.98	2626500	–	2626500	56.98	Nil
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
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 2018				No. of Shares held at the end of the year 2019				% 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):-	-	-	-	-	-	-	-	-	-
<b>2. Non- Institutions</b>									
a. Bodies Corporates									
i) Indian	519908	2800	522708	11.34	515612	2800	518412	11.25	(0.09)
ii) Overseas	-	-	-	-	-	-	-	-	-
b. Individuals									
1) Individual shareholders holding nominal share capital upto ₹ 1 lakh	316951	79996	396947	8.61	312434	79294	391728	8.50	(0.11)
2) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1018095	-	1018095	22.08	1036216	-	1036216	22.48	0.40
c) Others (specify)	45750	-	45750	0.99	37144	-	37144	0.79	(0.20)
Sub-total (B)(2):-	1900704	82796	1983500	43.02	1901406	82094	1983500	43.02	NIL
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1900704	82796	1983500	43.02	1901406	82094	1983500	43.02	NIL
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	4527204	82796	4610000	100	4527906	82094	4610000	100	NIL

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 2018			Share holding at the end of the year 2019			% 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	30.42	14,02,500	30.42	30.42	Nil
2.	Liz Traders and Agents Private Ltd .	6,66,930	14.47	0.00	6,66,930	14.47	14.47	Nil
3.	Sneh Sadan Traders and Agents Ltd.	2,83,000	6.14	0.00	2,83,000	6.14	6.14	Nil
4.	Ajit Baburao Kerkar/ Elisabetha Kerkar	2,74,070	5.95	0.00	2,74,070	5.95	0.00	Nil
	<b>Total</b>	26,26,500	56.98	30.42	26,26,500	56.98	51.03	Nil

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

There is no change in Promoters Shareholding between April 01, 2018 and March 31, 2019.

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

Sr. No.		Shareholding at the beginning of the year 2018		Change in Shareholding (No. of Shares)		Cumulative Shareholding during the year 2019	
		No. of shares	% of total shares of the company	Increase	Decrease	No. of shares	% of total shares of the company
	<b>For Each of the Top 10 Shareholders</b>						
1.	Manish Shashikant Mehta	2,27,582	4.94	-	-	2,27,582	4.94
2.	Bhamari Bai Bhavarlal Jain	2,13,957	4.64	-	-	2,13,957	4.64
3.	Lucas Commotrade Private Ltd	1,99,988	4.34	-	-	1,99,988	4.34
4.	Omprakash Hashamatrai Navani	1,71,355	3.72	-	-	1,71,355	3.72
5.	Lavanya Multitrade Private Limited	1,47,500	3.20	-	-	1,47,500	3.20
6.	Swagat Cements Private Limited	99,020	2.15	-	-	99,020	2.15
7.	Pujit Aggarwal	97,000	2.10	-	-	97,000	2.10
8.	C S P Patel	46,205	1.00	1,207	-	47,412	1.03
9.	Kats Holding Pvt Ltd	45,026	0.98	-	-	45,026	0.98
10.	Kayzad Sirius Eghlim	45,000	0.98	-	-	45,000	0.98

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.		Shareholding at the beginning of the year 2018		Cumulative Shareholding during the year 2019	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Pesi S. Patel	15,200	0.33	15,200	0.33
2.	Dr. Ajit B. Kerkar	2,74,070	5.94	2,74,070	5.94

There is no change in Directors / Key Managerial Personnel Shareholding between April 01, 2018 and March 31, 2019.



## V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	NIL	58,61,00,000	NIL	58,61,00,000
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>	NIL	58,61,00,000	NIL	58,61,00,000
<b>Change in Indebtedness during the financial year</b>				
• Addition	NIL	6,13,00,000	NIL	6,13,00,000
• Reduction	NIL	NIL	NIL	NIL
<b>Net Change</b>	NIL	6,13,00,000	NIL	6,13,00,000
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	NIL	64,74,00,000	NIL	64,74,00,000
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>	NIL	64,74,00,000	NIL	64,74,00,000

## 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 ₹45,000.

B. Remuneration to other directors:

Particulars of Remuneration	Name of Directors						Total Amount
	Mr. Mahalingam Narayanan	Ms Ramola Mahajani	Mr. Pesi S. Patel	Mr. Shailesh S. Mody	Mr. Sheel Dhar Pande	Mr. B. Dwarkanath	
1. Independent Directors							
• Fee for attending board committee meetings	75,000	45,000	45,000	50,000	60,000	45,000	3,20,000
• Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Total (1)</b>	<b>75,000</b>	<b>45,000</b>	<b>45,000</b>	<b>50,000</b>	<b>60,000</b>	<b>45,000</b>	<b>3,20,000</b>

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. A. B. M. Good					
	2. Other Non- Executive Directors						
	• Fee for attending board committee meetings	60,000	Nil	Nil	Nil	Nil	60,000
	Commission	Nil	Nil	Nil	Nil	Nil	Nil
	<b>Total (2)</b>	<b>60,000</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>60,000</b>
	<b>Total (B)=(1+2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>3,80,000</b>
	<b>Total Managerial Remuneration</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>4,25,000</b>
	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	1,66,250	18,00,000	19,66,250
	(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
	<b>Total</b>	<b>Nil</b>	<b>1,66,250</b>	<b>18,00,000</b>	<b>19,66,250</b>

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 29, 2019

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



## ANNEXURE II 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

- a. The ratio of remuneration of each director to the median remuneration of the employees of the company for the financial year 2018-19.

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. Pesi S Patel	Nil
Mr. Shailesh S. Mody	Nil
Ms. Ramola Mahajani	Nil
Mr. Sheel Dhar Pande	Nil
Mr. Dwarakanath Boppana	Nil

- b. The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year 2018-19.

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. Pesi S Patel	Nil
Mr. Shailesh S. Mody	Nil
Ms. Ramola Mahajani	Nil
Mr. Sheel Dhar Pande	Nil
Mr. Dwarakanath Boppana	Nil
Ms. Monika Jain- Company Secretary	N.A. (joined during the year)
Mr Shaunak A Paigankar – Chief Financial Officer	Nil

- 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: 5 – 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 29, 2019

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

**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 31<sup>ST</sup> MARCH, 2019**



To  
The Members,  
Tulip Star Hotels Limited,  
Indra Palace Building, H-Block, Middle Circle,  
Connaught Circus,  
New Delhi - 110 001.

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 my 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, 2019 (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 there under.
  - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
  - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
  - iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under 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 an 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 except that (1) the Company has not complied with the provisions of Section 185 and 186 of the Companies Act, 2013 and (2) No appointment of Company Secretary has been made within the prescribed time pursuant to section 203(4) of the Companies Act, 2013. However, the company has appointed a qualified trainee within the prescribed time, who was co-opted as Company Secretary at a later date.

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 29, 2019

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

To,  
The Members,  
Tulip Star Hotels Limited,  
Indra Palace Building, H-Block, Middle Circle,  
Connaught Circus,  
New Delhi - 110 001.

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 29, 2019

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



## Secretarial Compliance Report of Tulip Star Hotels Ltd. for the year ended 31st March 2019.

I Uday S. Tikare have examined:

- (a) all the documents and records made available to me and explanation provided by Tulip Star Hotels Ltd. (“the listed entity”) and its officers,
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity, www.tulipstar.com
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification for the year ended 31st March 2019 in respect of compliance with the provisions of:
  - (a) the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
  - (b) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and circulars/ guidelines issued thereunder; and based on the above examination,

I hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
	NIL		

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my examination of those records.
- (c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
	NIL			

(d) The listed entity has taken the following actions to comply with the observations made in previous reports

Sr. No	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended... (The years are to be mentioned)	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
	NIL			



Place: Mumbai  
Date: May 29, 2019

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



## INDEPENDENT AUDITORS' REPORT

To,  
The Members of  
Tulip Star Hotels Limited

### Report on Audit of Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of Tulip Star Hotels Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2019, 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.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, 2019, its Loss, changes in Equity and its Cash Flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of matter:

*Attention is invited to note number 18, note number 19 and note number 20 of notes forming part of accounts regarding the quality of the Company's investment in an investee company as well as recoverability of its interest free loan in the said company. The Management is of the opinion that notwithstanding the ongoing financial and legal issues of the investee company, taking into account the present value of the investee company's hotel property vis-à-vis its aggregate liabilities, there is no permanent diminution in the book value of the Company's investments nor is there a threat to recovery of interest free loan in the investee company in the long run. Our opinion on the financial statements is not qualified in respect of this matter.*

#### Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Management's Responsibility for the Standalone Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:





- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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, 2019.

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 21 of notes forming part of accounts;
- ii. The Company did not have any long term contracts including derivative contracts that require provision under any law or accounting standards for which there were any material foreseeable losses.
- iii. There was no amount to be transferred to the Investor Education and Protection Fund by the Company.

For **K A M G & Associates**  
Chartered Accountants  
Firm Reg. No. 311027E

**Arpit Shah**  
Partner  
Membership No. 180949

Place: Mumbai  
Date: May 29, 2019

## ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

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 2019, 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
2.	Banzai Estates Private Limited	Common Directors	Nil	1,15,00,000

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:

### Non compliance with the provisions of section 185 and 186 of the Act

Party	Nature of Transaction	Amount (₹)
V Hotels Ltd	Inter-Corporate Deposit	37,00,00,000

### Non compliance with the provisions of section 185 and 186 of the Act

Party	Nature of Transaction	Amount (₹)
Banzai Estates Private Limited	Inter-Corporate Deposit	1,15,00,000
V Hotels Ltd	Investment in Equity Shares	21,99,82,000
V Hotels Ltd	Investment in Preference Shares	2,50,000

- 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 2019 for a period of more than six months from the date they became payable.

Particulars	Amount (Rs.)
Fringe Benefit Tax	4,75,000
Service Tax	13,63,126
Tax Deducted at Source (TDS)	2,01,03,180
ESIC	6,815
Provident Fund	50,557

- (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 give to us and based on our examination of the records of the Company, the Company has not paid/provided for any managerial remuneration.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3 (xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India.

For **KAMG & Associates**  
Chartered Accountants  
Firm Reg. No. 311027E

**Arpit Shah**  
Partner  
Membership No. 180949

Place: Mumbai  
Date: May 29, 2019



**Tulip  
Star  
Hotels  
Ltd.**

## BALANCE SHEET AS AT MARCH 31, 2019

	Note No.	As At 31.3.2019 ₹	As At 31.3.2018 ₹
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
<b>Financial Assets</b>			
Investment	3	22,03,57,000	22,03,57,000
Other Financial Assets	4	37,00,00,000	37,00,00,000
Deferred tax assets (net)	5	2,02,06,176	1,82,39,876
Other non-current assets	6	1,50,93,722	1,84,00,416
<b>CURRENT ASSETS</b>			
<b>Financial Assets</b>			
Cash & Cash Equivalent	7	2,89,956	2,84,956
<b>TOTAL ASSETS</b>		<b>62,59,46,854</b>	<b>62,72,82,248</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	8	4,61,00,000	4,61,00,000
Other Equity	9	(22,29,42,915)	(14,34,23,628)
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	10	13,84,00,000	13,84,00,000
Provisions	11	35,40,574	31,87,740
<b>CURRENT LIABILITIES</b>			
<b>Financial Liabilities</b>			
Borrowings	12	50,90,00,000	44,77,00,000
Provisions	13	1,82,16,221	1,82,25,577
Other Current Liabilities	14	13,36,32,974	11,70,92,559
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>62,59,46,854</b>	<b>62,72,82,248</b>
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

**K A M G & Associates**  
Chartered Accountants  
Firm Reg. No. 311027E

**A. B. M. Good**  
Chairman  
DIN 00189453

**Dr. Ajit B. Kerkar**  
Managing Director  
DIN 00022311

**Shaunak A. Paigankar**  
Chief Financial Officer

**Monika Jain**  
Company Secretary

**Arpit Shah**  
Partner  
Membership No. 180949

Place: Mumbai  
Date: May 29, 2019

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019



	Note No.	₹	₹	Previous Year ₹
<b>REVENUE</b>				
Other Income	15		5,000	28,622
Total Revenue			<u>5,000</u>	<u>28,622</u>
<b>EXPENSES</b>				
Employee Benefits Expenses	16	52,22,685		52,61,506
Finance Cost		7,06,76,862		4,81,14,230
Other Expenses	17	<u>55,13,033</u>		<u>45,61,581</u>
Total Expenses			<u>8,14,12,580</u>	<u>5,79,37,317</u>
Loss before Exceptional Items and Tax			8,14,07,580	5,79,08,695
Prior Period Adjustment		—		—
Excess Provision Written Back		—		—
Loss Before Tax			<u>8,14,07,580</u>	<u>5,79,08,695</u>
Tax Expenses				
Current tax (Incl Provision for earlier years)		—		—
Deferred tax		<u>(19,44,653)</u>		<u>(94,59,872)</u>
Loss for the year			<u>(19,44,653)</u>	<u>(94,59,872)</u>
Other Comprehensive Income			7,94,62,927	4,84,48,823
Items that may not be reclassified to Profit and Loss				
Remeasurement of Post-employment benefit obligations			78,007	(16,44,873)
Tax relating to these items			(21,647)	5,08,625
Total Other Comprehensive Income / (Loss) for the Year, Net of Tax			<u>(56,360)</u>	<u>11,36,248</u>
Total Comprehensive Income / (Loss)			<u>(7,95,19,287)</u>	<u>4,73,12,575</u>
Earning per equity share:				
Basic & Diluted	23		(17.24)	(10.51)
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

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Company Secretary

**Arpit Shah**  
Partner  
Membership No. 180949



**Tulip  
Star  
Hotels  
Ltd.**

## CASH FLOW STATEMENT

	31.03.2019	31.03.2018
	₹	₹
<b>A. Cash Flow from Operating Activities</b>		
Loss before Tax	8,14,07,580	5,79,08,695
adjustments for		
Finance Cost	7,06,76,862	4,81,14,230
Sundry Advances Written Off	27,93,620	5,87,750
Dividend on long term investments (non-trade)	5,000	7,500
<b>Operating Profit before working capital changes</b>	<b>79,42,098</b>	<b>92,14,215</b>
(Increase)/decrease in loans and advances	(40,500)	(35,849)
Increase/(decrease) trade and other payables	7,86,59,460	5,98,64,294
	<u>7,86,18,960</u>	<u>5,98,28,445</u>
<b>Cash generated from operations</b>	7,06,76,862	5,06,14,230
Direct taxes paid	-	25,00,000
<b>Net cash generated / (used in) from operations</b>	<u>7,06,76,862</u>	<u>4,81,14,230</u>
<b>B. Cash Flow from Investing Activities</b>		
Sale of Investment	-	-
Dividend income	5,000	7,500
Sale of Fixed Assets	-	-
<b>Net cash from / (used in) Investing Activities</b>	<u>5,000</u>	<u>7,500</u>
<b>C. Cash Flow from Financing Activities</b>		
Interest expenses	7,06,76,862	4,81,14,230
<b>Net cash from / (used in) Financing Activities</b>	<b><u>(7,06,76,862)</u></b>	<b><u>(4,81,14,230)</u></b>
Net (decrease) / increase in cash and cash equivalents	<b>5,000</b>	<b>7,500</b>
Cash and cash equivalents at the beginning of the year	2,84,956	2,77,456
Cash and cash equivalents at the end of the year	2,89,956	2,84,956

For and on behalf of the Board

As per our Report of even date

**K A M G & Associates**  
Chartered Accountants  
Firm Reg. No. 311027E

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**Shaunak A. Paigankar**  
Chief Financial Officer

**Monika Jain**  
Company Secretary

**Arpit Shah**  
Partner  
Membership No. 180949

Place: Mumbai  
Date: May 29, 2019

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019



A. Equity Share Capital				
As at April 1, 2018				4,61,00,000
Changes in equity share capital during the year				Nil
As at March 31, 2019				4,61,00,000
	<b>Share Premium</b>	<b>General Reserve</b>	<b>Retained Earnings/ (Carry Forward Deficit)</b>	<b>Total</b>
	₹	₹	₹	₹
<b>B. Other equity</b>				
Balance at April 1, 2018	11,10,00,000	1,59,82,181	(26,36,43,932)	13,66,61,751
Interest Provided on Delay in Remittance of Statutory Dues			(67,61,877)	(67,61,877)
Loss for the year	–	–	(7,94,62,927)	(7,94,62,927)
Other comprehensive income/(loss) for the year, net of tax	–	–	(56,360)	(56,360)
<b>Total Comprehensive income for the year</b>	–	–	(7,95,19,287)	(7,95,19,287)
<b>Balance as at March 31, 2019</b>	11,10,00,000	1,59,82,181	(34,99,25,096)	(22,29,42,915)

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

**K A M G & Associates**  
Chartered Accountants  
Firm Reg. No. 311027E

**A. B. M. Good**  
Chairman  
DIN 00189453

**Dr. Ajit B. Kerkar**  
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DIN 00022311

**Shaunak A. Paigankar**  
Chief Financial Officer

**Monika Jain**  
Company Secretary

**Arpit Shah**  
Partner  
Membership No. 180949

Place: Mumbai  
Date: May 29, 2019



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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 29<sup>th</sup> May, 2019.

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.

- (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.

- (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.



**NOTES ON FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2019**

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.

The Company's recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

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.

3. **Non Current Investments**

Particulars	As at 31.03.2019	As at 31.03.2018
	₹	₹
<b>Trade Investment (measured at cost)</b>		
<u>Investment in Associates - V Hotels Limited</u> (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
25,000 Redeemable Preference Shares (Prev. Year - 50,000 ) of ₹ 100/- each fully paid up	2,50,000	2,50,000
<b>Other Investments (measured at fair value through P&amp;L) -</b>		
<u>The Saraswat Co-Op Bank Ltd.</u> 2,500 (Prev. Year - 2,500 ) Equity Shares of ₹ 10/- each fully paid up	25,000	25,000
<u>The Greater Bombay Co-op Bank Ltd.</u> 4000 (Prev. Year - 4000 ) Equity Shares of ₹ 25/- each fully paid up	1,00,000	1,00,000
<b>Total</b>	<b>22,03,57,000</b>	<b>22,03,57,000</b>
<b>Aggregate amount of unquoted Investments</b>	<b>22,03,57,000</b>	<b>22,03,57,000</b>



**NOTES ON FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2019**

**Tulip  
Star  
Hotels  
Ltd.**

**4. Non Current Other Financial Assets**

Particulars	As at 31.03.2019	As at 31.03.2018
	₹	₹
Due from Associated Company V Hotels Limited Unsecured, considered good	37,00,00,000	37,00,00,000
<b>Total</b>	<b>37,00,00,000</b>	<b>37,00,00,000</b>

**5. Deferred Tax Assets (Net)**

Particulars	As at 31.03.2019	As at 31.03.2018
	₹	₹
<b>Deferred Tax Assets are attributable to the following items</b>		
Provision for Gratuity	9,18,369	9,86,494
Provision for Leave Encashment	5,64,934	6,41,080
Provision for expenses (disallowable in tax computation)	1,87,22,873	1,66,12,302
<b>Total</b>	<b>2,02,06,176</b>	<b>1,82,39,876</b>

**6. Other Non Current Assets**

Particulars	As at 31.03.2019	As at 31.03.2018
	₹	₹
'Sundry Deposits Unsecured, considered good	1,16,19,316	1,16,19,316
Loans to employees	34,59,167	67,65,861
Advances recoverable in cash or kind Unsecured, considered good	15,239	15,239
Advances recoverable in cash or kind Unsecured, considered Doubtful	15,00,000	15,00,000
Provision for Doubtful Advances	15,00,000	15,00,000
<b>Total</b>	<b>1,50,93,722</b>	<b>1,84,00,416</b>

**7. Cash & Cash Equivalent**

Particulars	As at 31.03.2019	As at 31.03.2018
	₹	₹
Balance in Current Accounts	2,89,956	2,84,956
<b>Total</b>	<b>2,89,956</b>	<b>2,84,956</b>

**8. Share Capital**

Particulars	As at 31.03.2019	As at 31.03.2018
	₹	₹
<b>Authorised</b> 100,00,000 Equity Shares of ₹10/- each	10,00,00,000	10,00,00,000
<b>Issued, Subscribed and Paid-up</b> 46,10,000 (P.Y. 46,10,000) Equity Shares of ₹ 10/- each fully paid-up	4,61,00,000	4,61,00,000
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>4,61,00,000</b>	<b>4,61,00,000</b>

**NOTES ON FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2019**



<b>Reconciliation of Equity Shares</b>				
	<b>As at 31.03.2019</b>		<b>As at 31.03.2018</b>	
	<b>No. of shares</b>	<b>Amount ₹</b>	<b>No. of shares</b>	<b>Amount ₹</b>
Balance at the beginning of the year	46,10,000	4,61,00,000	46,10,000	4,61,00,000
Add/Less: Movement during the year	-	-	-	-
Balance at the end of the year	46,10,000	4,61,00,000	46,10,000	4,61,00,000

**Terms / rights attached to equity shares:**

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

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

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

<b>Particulars</b>	<b>As at 31.03.2019</b>		<b>As at 31.03.2018</b>	
	<b>No. of Shares</b>	<b>% Holding in the class</b>	<b>No. of Shares</b>	<b>% Holding in the class</b>
Cox & Kings Limited	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
Sneh Sadan Traders and Agents Ltd.	2,83,000	6.14	2,83,000	6.14
Dr. Ajit B. Kerkar & Elizabetha Kerkar	2,74,070	5.95	2,74,070	5.95

**9. Other Equity**

<b>Particulars</b>	<b>As at 31.03.2019</b>		<b>As at 31.03.2018</b>	
	<b>₹</b>	<b>₹</b>	<b>₹</b>	<b>₹</b>
<b>General Reserve</b>				
As per last Financial Statement	1,59,82,181		1,59,82,181	
		1,59,82,181		1,59,82,181
<b>Share Premium</b>				
As per last Financial Statement	11,10,00,000		11,10,00,000	
		11,10,00,000		11,10,00,000
<b>Surplus in the statement of profit and loss</b>				
As per last Financial Statement	(27,04,05,809)		(21,87,51,555)	
Less :- Interest on delay in remitting Statutory Dues till 31.03.2017	-		(43,42,039)	
Less :- Loss for the Year	(7,94,62,927)		(4,84,48,823)	
Less Remeasurements of post-employment benefit obligation, net of tax	(56,360)		11,36,608	
		(34,99,25,096)		(27,04,05,809)
<b>Total</b>		<b>(22,29,42,915)</b>		<b>(14,34,23,628)</b>



NOTES ON FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2019

10. Non-Current Borrowings

Particulars	As at 31.03.2019	As at 31.03.2018
	₹	₹
Unsecured Loans from Associated Company	13,84,00,000	13,84,00,000
<b>Total</b>	<b>13,84,00,000</b>	<b>13,84,00,000</b>

The Interest Free Unsecured Loans are to be repaid on 31st March 2020.

11. Provisions

Particulars	As at 31.03.2019	As at 31.03.2018
	₹	₹
Provision for Taxation (Net of Taxes Paid)	4,75,000	2,09,529
Provision for Employee Benefits	30,65,574	29,78,211
<b>Total</b>	<b>35,40,574</b>	<b>31,87,740</b>

12. Current Borrowings

Particulars	As at 31.03.2019	As at 31.03.2018
	₹	₹
Unsecured Loans from Others	50,90,00,000	44,77,00,000
<b>Total</b>	<b>50,90,00,000</b>	<b>44,77,00,000</b>

13. Provisions

Particulars	As at 31.03.2019	As at 31.03.2018
	₹	₹
Provision for Taxation (Net of Taxes Paid)	1,79,00,000	1,79,00,000
Provision for Employee Benefits	3,16,221	3,25,577
<b>Total</b>	<b>1,82,16,221</b>	<b>1,82,25,577</b>

14. Other Current Liabilities

Particulars	As at 31.03.2019	As at 31.03.2018
	₹	₹
Statutory Dues Payable	3,96,81,025	2,95,55,852
Due to Associate Companies	8,72,68,015	8,08,79,059
Others	66,83,934	66,57,648
<b>Total</b>	<b>13,36,32,974</b>	<b>11,70,92,559</b>

15. Other Income

Particulars	Current Year	Previous Year
	₹	₹
Dividend	5,000	7,500
Interest Received	–	11,485
Other Income	–	9,637
<b>Total</b>	<b>5,000</b>	<b>28,622</b>

16. Employee Benefits Expenses

Particulars	Current Year	Previous Year
	₹	₹
Salaries, bonus, etc.	46,53,500	31,68,894
Contribution to Provident & Other Funds	3,14,388	3,93,204
Gratuity	–	13,43,826
Staff Welfare	2,54,797	3,55,582
<b>Total</b>	<b>52,22,685</b>	<b>52,61,506</b>

**NOTES ON FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2019**



**17. Other Expenses**

Particulars	Current Year	Previous Year
	₹	₹
Printing and Stationery	1,43,550	1,38,600
Travelling and Conveyance	23,750	88,683
Communication Expenses	51,109	1,02,310
Auditors' Remuneration – (see note below)	1,74,050	1,74,050
Professional Fees	15,33,392	11,90,985
Directors Sitting Fees	4,25,000	1,67,500
Advertisement	1,95,537	2,06,561
Electricity expenses	2,74,964	3,04,522
Vehicle Expenses	9,89,164	9,84,543
Goods & Service Tax	1,01,700	29,550
Sundry Advances Written Off	8,86,120	5,87,750
Sundry Expenses	7,14,697	5,86,527
<b>Total</b>	<b>55,13,033</b>	<b>45,61,581</b>

**Note: - Auditors' Remuneration includes**

Particulars	As at 31.03.2019	As at 31.03.2018
	₹	₹
Audit Fees	67,850	66,125
Other Matters	1,06,200	1,03,500
<b>Total</b>	<b>1,74,050</b>	<b>1,69,625</b>

18. 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 8<sup>th</sup> March 2005. VHL, vide its notice of arbitration dated 6<sup>th</sup> 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 13<sup>th</sup> 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 10<sup>th</sup> 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 10<sup>th</sup> May 2013. The said appeal has been admitted on 3<sup>rd</sup> 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 Ltd. remains undiminished as the rights, title and interest of V Hotels Ltd. in its Hotel property is not adversely affected by the decision of the Learned Single Judge.
19. 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 have 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.
20. 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 remaining 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.



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### 21. 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.

### 22. 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. Ajit B. Kerkar  
Ms. Ramola Mahajani  
Mr. M. Narayanan  
Mr. Pesi S. Patel  
Mr. Shailesh S. Mody  
Mr. Sheel Dhar Pande  
Mr. Dwarakanath Boppana  
Mr. Shaunak A Paigankar  
Ms. Monika Jain

### b) Transactions with Related Parties:

	Associates ₹	Key Management Personnel ₹
Interest Payment	– (3,36,23,811)	
Director's Sitting Fees		4,25,000 (1,67,500)
Salary		19,66,250 (20,25,000)
Loans granted Outstanding as of March 31, 2019	37,00,00,000 (37,00,00,000)	
Payments made by Company on behalf of Related Party	– (3,10,508)	
Payments made by Related Party on behalf of Company	64,26,756 (10,784,740)	
Loans taken outstanding as of March 31, 2019	13,84,00,000 (13,84,00,000)	
Guarantees given for borrowings made by the Associated Company and outstanding as of March 31, 2019	1,33,51,40,000 (1,33,51,40,000)	

**NOTES ON FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2019**



**C) Amount of loans / advances in nature of loans outstanding from Subsidiaries and Associates during 2018-19**

	Name of the Company	O/s as of March 31, 2019.	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. (formerly known as Tulip Hospitality Services Ltd.)	37,00,00,000	37,00,00,000	22,02,32,000	-

**23. EARNING PER SHARE**

	March 31, 2019	March 31, 2018
	₹	₹
a) Basic earnings per share	(17.24)	(10.51)
b) Diluted earnings per share	(17.24)	(10.51)
<b>c) Reconciliations of earnings used in calculating earnings per share</b>		
Loss attributable to the equity holders of the company used in calculating basic earnings per share	7,94,62,927	4,84,48,823
Loss attributable to the equity holders of the company used in calculating diluted earnings per share	7,94,62,927	4,84,48,823
<b>d) Weighted average number of shares used as the denominator</b>		
Weighted average number of equity shares 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

24. The Company has not received any intimation from “Suppliers” regarding their status under Micro, Small & Medium Enterprises Development Act, 2006 and hence the disclosures if any, relating to amounts unpaid as at the year end together with interest paid/ payable as required under the said Act have not been given.
25. Previous year’s figures have been regrouped / reclassified wherever necessary.
26. Balance Confirmations have not been obtained in respect of year end balances of Sundry Creditors, Loans and Advances due to / by the Company (excluding group and associate companies) and some of the Bank Accounts.
27. The Company has received copies of letters issued by the Dy. Commissioner of Income Tax, Circle – 16(1), New Delhi to some of the Company’s bank under section 226(3) of the Income Tax Act, 1961 directing these banks to remit moneys in the Company’s accounts to the Income Tax Department towards settlement of the Company’s tax dues.

**28. 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.

Loan to Associate Company, Other Loans & Advances and other investments 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.





## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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, 2019	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
<b>Financial Assets</b>							
Non-current Investments							
Shares	1.25	–	–	1.25	–	–	1.25
Loans to Associate Company	3700.00			3700.00			3700.00
Loans to Employees	34.59	–	–	34.59	–	–	34.59
'Sundry Deposits		–	116.19	116.19	–	–	–
Other Bank Balances		–	2.89	2.89	–	–	–
	3735.84	–	119.04	3854.92	–	–	3735.84
<b>Financial Liabilities</b>							
Long Term Borrowings	–	–	1384.00	1384.00	–	–	–
Short Term Borrowings	–	–	5090.00	5090.00	–	–	–
Other Financial Liabilities	–	–	1136.33	1136.33	–	–	–
	–	–	7610.33	7610.33	–	–	–

March 31, 2018	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
<b>Financial Assets</b>							
Non-current Investments							
Shares	1.25	–	–	1.25	–	–	1.25
Loans to Associate Company	3700.00			3700.00			3700.00
Loans to Employees	67.66	–	–	67.66	–	–	67.66
'Sundry Deposits		–	116.19	116.19	–	–	–
Other Bank Balances		–	2.85	2.85	–	–	–
	3768.91	–	119.04	3887.952	–	–	3768.91
<b>Financial Liabilities</b>							
Long Term Borrowings	–	–	1384.00	1384.00	–	–	–
Short Term Borrowings	–	–	4477.00	4477.00	–	–	–
Other Financial Liabilities	–	–	1170.92	1170.92	–	–	–
	–	–	7031.92	7031.92	–	–	–

### 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.



**NOTES ON FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2019**

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.

**29. 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 31.03.2019	As at 31.03.2018
	₹	₹
Employer's Contribution to Provident Fund and Family Pension Fund	2,98,428	3,65,392
Employer's Contribution to ESIC	15,960	27,812
<b>Total</b>	<b>3,14,388</b>	<b>3,93,204</b>

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 31.03.2019	As at 31.03.2018
	₹	₹
Defined benefit obligation at beginning of the year	12,29,097	2,236,953
Current Service Cost	17,879	30,913
Interest Cost	96,853	1,67,995
Past Service Cost	-	183,862
Actuarial (Gain)/Loss	2,167	4,94,812
Benefits paid	-	(1,885,438)
Defined benefit obligation at year end	13,45,996	1,229,097

**ii. Reconciliation of fair value of assets and obligations**

Gratuity (unfunded)

Particulars	As at 31.03.2019	As at 31.03.2018
	₹	₹
Fair value of Plan Assets	NIL	NIL
Present value of obligation	13,45,996	1,229,097
Amount recognized in Balance Sheet	13,45,996	1,229,097

**iii. Expenses recognized during the year**

Gratuity (unfunded)

Particulars	As at 31.03.2019	As at 31.03.2018
	₹	₹
Current Service Cost	17,879	30,913
Interest cost on benefit obligation	96,853	1,67,995
Past Service Cost	-	183,862
Actuarial (Gain)/Loss recognized in the year	2,167	4,94,812
Expected return on plan assets	-	-
Net benefit Expense/(Income)	1,16,899	8,77,582



**NOTES ON FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2019**

iv. Actuarial assumptions  
Gratuity (unfunded)

Particulars	As at 31.03.2019	As at 31.03.2018
	₹	₹
Expected Return on Plan Assets	N.A.	N.A.
Rate of Discounting	7.54% p.a. (Indicative G. Sec referenced on 31-03-2019)	7.88% p.a. (Indicative G. Sec referenced on 31-03-2018)
Rate of Salary Increase	5%	5%
Rate of Employee Turnover	2%	2%
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 31.03.2019	As at 31.03.2018
	₹	₹
Projected Benefit Obligation on Current Assumptions	13,45,996	12,29,097
Delta Effect of +1% Change in Rate of Discounting	(109,092)	(104,671)
Delta Effect of -1% Change in Rate of Discounting	122,150	117,985
Delta Effect of +1% Change in Rate of Salary Increase	35,636	34,095
Delta Effect of -1% Change in Rate of Salary Increase	(32,365)	(31,143)
Delta Effect of +1% Change in Rate of Employee Turnover	52,423	57,597
Delta Effect of -1% Change in Rate of Employee Turnover	(56,068)	(62,027)

**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

**K A M G & Associates**  
Chartered Accountants  
Firm Reg. No. 311027E

**A. B. M. Good**  
Chairman  
DIN 00189453

**Dr. Ajit B. Kerkar**  
Managing Director  
DIN 00022311

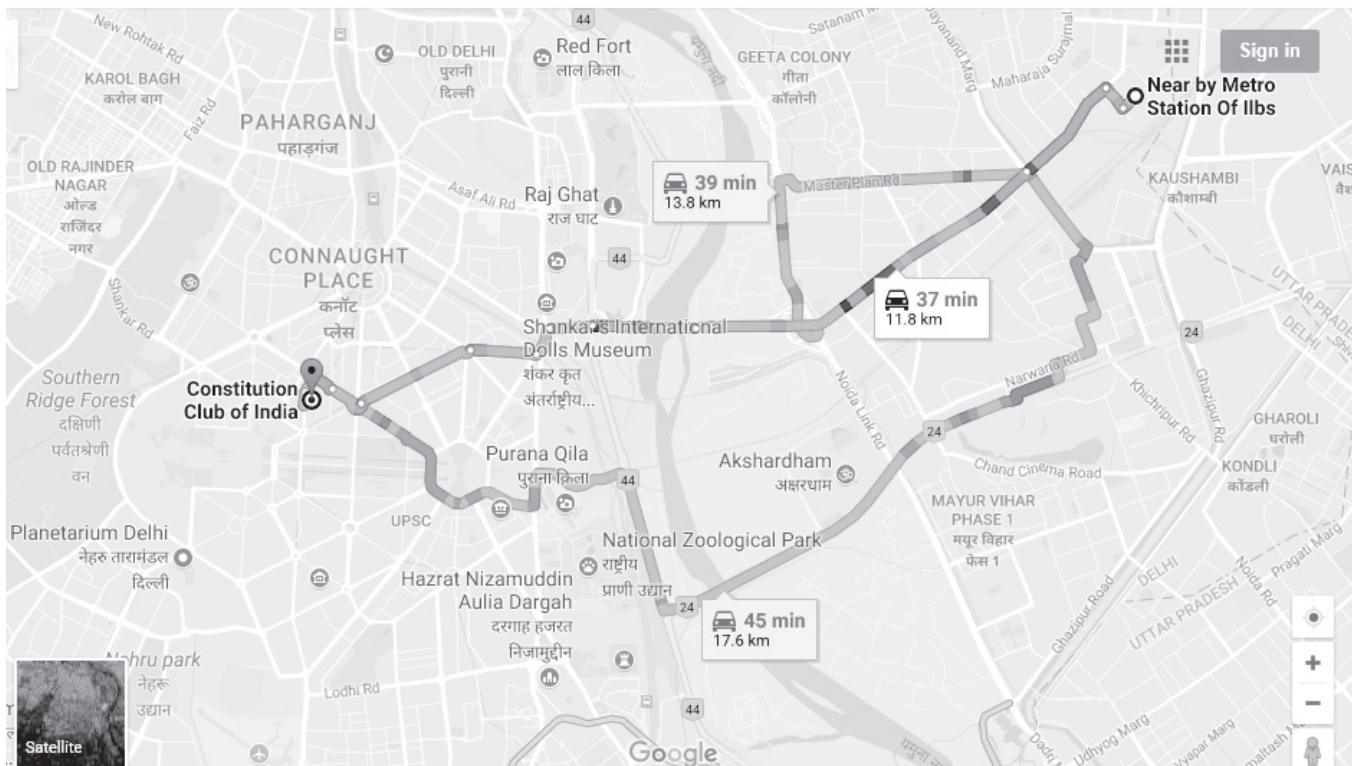
**Shaunak A. Paigankar**  
Chief Financial Officer

**Monika Jain**  
Company Secretary

**Arpit Shah**  
Partner  
Membership No. 180949

## Route Map to the AGM Venue

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



# **THIRTY SECOND ANNUAL REPORT 2018-2019**

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**If undelivered, please return to :**

**Tulip Star Hotels Limited**

**Secretarial & Finance Dept : Chander Mukhi, Nariman Point, Mumbai - 400 021.**