Fort Jadhavgadh

KAMAT HOTELS (INDIA) LIMITED

The Kamat Group

Continues to grow through its warm and friendly hospitality while keeping its ethos of Eco-Friendly initiative.

ANNUAL REPORT 2018-19

Orchid Mumbai

Planted 10 lakh seedballs to #RebuildOdisha

One Green Nation, One Green Family

INDIA'S PIONEER HOSPITALITY CHAIN OF ENVIRONMENTALLY SENSITIVE HOTELS & RESORTS

KAMAT HOTELS (INDIA) LIMITED

THE ORCHID® — FIVE STAR ECOTEL HOTEL — FRIENDLY. ECO-FRIENDLY
MUMBAI | PUNE

Fort JadhavGADH — A Gadh Heritage Hotel — Ladh, Jhagadh, Aage Badh...
PUNE

MAHODADHI PALACE — A Beach View Heritage Hotel — Puri - Odisha
PURI - ODISHA

LOTUS RESORTS — Chill Still Tranquil
KONARK - ODISHA, GOA - BENAULIM
MURUD - DAPOLI

THE BACKBONE OF KAMAT HOTELS (INDIA) LIMITED.

Dr. Vithal Venketesh Kamat

Executive Chairman and Managing Director

Dr. Vithal Venketesh Kamat, a second-generation restaurateur, a pioneer in green hotels, an environmentalist, an entrepreneur, an educationalist, an antiquarian, an ornithologist, an author, a globetrotter, and a black belt holder in karate, is a versatile personality. Having begun his journey in a small, family-owned vegetarian restaurant, Dr. Vithal Kamat today is Executive Chairman and Managing Director of Kamat Hotels (India) Limited.

Dr. Vithal Kamat is a recipient of many national and international awards including 'Best CEO of Industry Award' by The Indian Express, 'Golden Peacock Award' received from the hands of His Holiness The Dalai Lama, and the 'Lifetime Achievement Award' in Berlin, Germany.

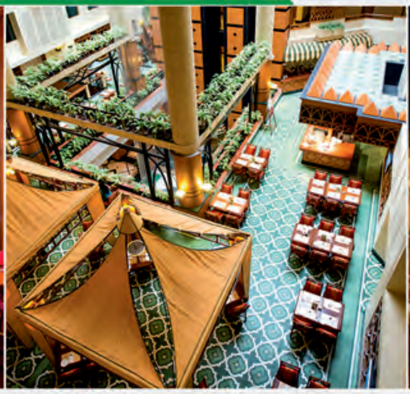
THE
ORCHID®
FIVE STAR ECOTEL HOTEL
FRIENDLY. ECO-FRIENDLY

Asia's First Ecotel Certified 5 Star hotel located close to the Mumbai Domestic Airport

Choose from 14 different types of board rooms, conference halls and banquet halls of varying capacities to celebrate special occasions in style or to make that great first impression in business meetings at The Orchid Hotel.

TOTAL ROOMS: 372 | BANQUETS: 14

FOOD & BEVERAGES OUTLETS



South of Vindhyas
from SOUTH to your MOUTH

Concept: South Indian Cuisine
Personality: Cultural & Traditional
Timings: 12pm to 3pm and 7pm to 11.45pm
Cuisine: South Indian - 4 states

Boulevard
Coffee Shop At The Orchid

Concept: Speed (10 min Lightning Menu)
Personality: Energetic
Timings: 24hrs.
Cuisine: Indian, Continental, Chinese, Mexican

mostlygrills

Concept: Contemporary Barbeque Designer Cuisine
Personality: Stylish, Romantic and Relaxed
Timings: 4pm to 11.45pm
Cuisine: Barbeque/Grill - Continental/Indian

MERLIN'S
Karaoke Bar

Concept: Lounge
Personality: Lovely
Timings: Mon-Fri 4pm to 1.30am
Sat-Sun 12pm to 1.30am

Distance From:

Domestic Airport Mumbai: **1 km**
International Airport Mumbai: **7 kms**
Railway Station Vile Parle: **1 km**

Reservations:

The Orchid, 70-C, Nehru Road, Adjacent to Domestic Airport, Vile Parle (E), Mumbai - 400 099.
Tel: +91 (22) 2616 4040 | Fax: +91 (22) 2616 4141 | Toll Free No: 1800 22 5432 | www.orchidhotel.com

Fort JadhavGADH
A Gadh Heritage Hotel
Ladh, Jhagadh, Aage Badh...

Maharashtra's First and only Fort Heritage Hotel

Explore the perfect amalgam of Old-Era Charm, contemporary opulence and absolute comfort.

Take a journey through 300 years of history and experience the grandiose of the Maratha regime at the Fort Jadhavgadh Hotel and Resort - Maharashtra's only Fort Heritage hotel and best resorts near Pune.

TOTAL ROOMS: 58 | BANQUETS: 04

FOOD & BEVERAGES OUTLETS




Kund The Pool Bar

Concept: Our beautifully enclosed swimming pool 'Kund' is built using the fort's 300 year old rain water harvesting system. It comes with a pooside bar and a specially designed menu for our guests.
Timings: 11 am to 11 pm
Cuisine: Cocktails and Snacks

Aangan The Courtyard café

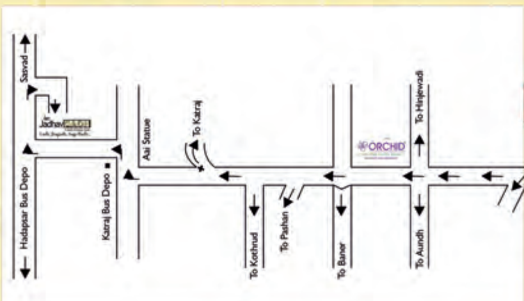
Concept: The Court yard Café 'Angan' is an outdoor open air restaurant where you can dine by candlelight with live grills just a few feet away from the table.
Timings: Breakfast 7:30 am to 10:30 am, Lunch 12:30 pm to 3:30 pm, Dinner 7:30 pm to 10:30 pm
Cuisine: Traditional and Continental

chhajja All day dining

Concept: All day dining restaurant 'Chajja' is decorated in a subtle style just like the fort. The extended canopy 'Jharokha' sit-out overlooks the lush green farm lands.
Timings: 24*7 hours
Cuisine: Traditional and Continental

Payatha Ethnic Foothill Restaurant

Concept: The Ethnic Foothill Restaurant 'Payatha' is a fine dining fresco restaurant, to spend your evenings watching white owls and other night birds, right from the table.
Timings: Dinner 7:30 pm to 10:30 pm & Saturday, Sunday Mela Brunch.
Cuisine: Traditional Maharastrian



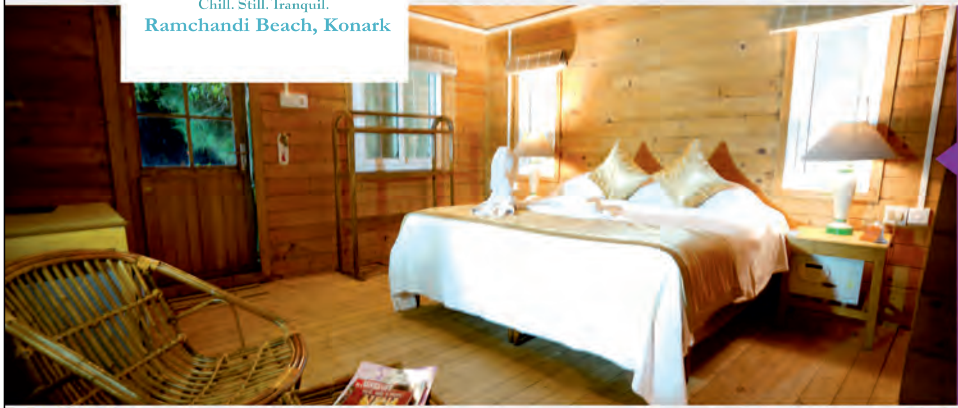
Distance From:

Domestic Airport Pune: **45 Minutes**
Railway Station Pune: **45 Minutes**
Mumbai: **3.5 Hours**
Pune: **30 Minutes**

Reservations:

Fort JadhavGADH - A Gadh Heritage Hotel Jadhavwadi, Hadapsar Saswad Road, Pune - 412301.
Tel: +91 99 8757 3818 | Tel: +91 2115 305200/305220 | www.fortjadhavgadh.com

LOTUS RESORTS
Chill. Still. Tranquil.
Ramchandi Beach, Konark



Odisha's First & Only Eco Beach Resort at Konark Sea Beach

Conveniently located 7 kms from Konark, away from the hurly-burly of the city, is Konark's exquisite eco resort, scenically nestled on the confluence of the Kusabhadra River and the Bay of Bengal.

TOTAL ROOMS: 27 | BANQUETS: 01

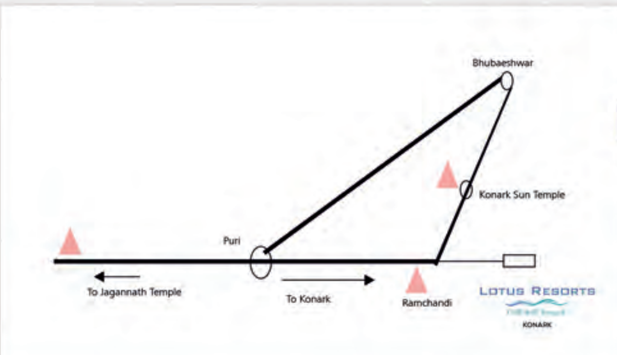
FOOD & BEVERAGES OUTLETS

BAY SPIRITS

Concept: Sea Side Open Bar
Personality: Goan
Timings: 12.00 noon - 10.00 pm
Cuisine: Indian, Continental & Chinese

WATERFRONT GRILL

Concept: Beach View Seafood Restaurant
Timings: 7 am - 10.30 pm
Cuisine: Indian, Continental & Chinese



Distance From:

Domestic/International Airport, Bhubaneswar: **80 kms**
Railway Station Puri: **28 kms**
Sun Temple, Konark : **7 kms**

Reservations:

Lotus Eco Resort, Puri - Konark Marine Drive Road, Konark -752111.
Tel: +91 9090093464 | http://www.lotusresorthotels.com/eco-resort-konark

Lotus Resorts

Chill. Still. Tranquil.
Goa

A beach resort near Benaulim beach

Conveniently located in Benaulim, a charming town in Goa that boasts of great scenic delights and beaches, Lotus Beach Resort Goa is a perfect gateway to start your vacation with.

TOTAL ROOMS: 48 | BANQUETS: 01

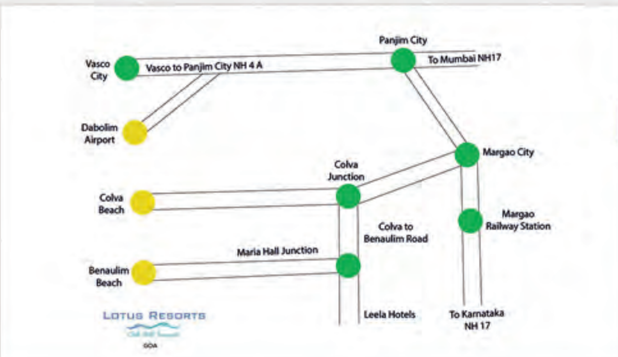
FOOD & BEVERAGES OUTLETS

Sea Wave
Restaurant

Concept: Goan Cuisine
Timings: 07:00 am to 11:00 pm
Cuisine: Multi-Cuisine

Sea Shell
Bar

Concept: Resto Bar
Timings: 08:00 am to 10:30 pm
Cuisine: Multi-Cuisine



Distance From:

Domestic Airport Dabolim: **25 kms**
Railway Station Madgaon: **7 kms**
By Road from Panjim: **38 kms**

Reservations:

Lotus Resort Goa,Benaulim Beach Road, via Maria Hall,Vaswaddo, Salcete, Margao-Goa 403716.
Tel: (0832)2771175/76/78/79 | www.lotusresorthotels.com

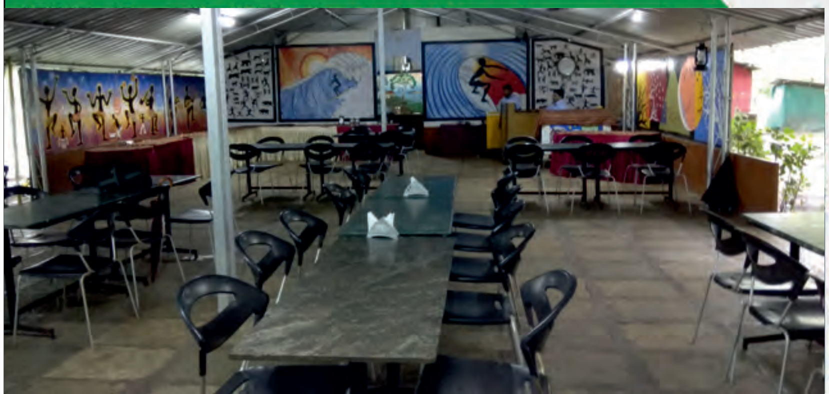
LOTUS RESORTS
Chill. Still. Tranquil.
Murud - Harnai

A rare combination of privacy and indulgent serenity, Lotus A Eco Beach Resort Murud - Dapoli

Surrounded by the beaches of the Arabian Coast, the hotel is situated away from the regular humdrum of the city life. Retreat into the world of sand, sea and seagulls during your stay at one of the best resorts in Dapoli.

TOTAL ROOMS: 40 | BANQUETS: 01

FOOD & BEVERAGES OUTLETS



Wadi
Restaurant

Concept: Sea Food
Timings: 07:00 am to 11:00 pm
Cuisine: Multi-Cuisine

Distance From:
Mumbai: **241 kms**
Pune: **195 kms**

Reservations:

Lotus Beach Resort, Murud Beach-Dapoli, Ratnagiri At/Post- Murud, Tal. Dapoli, District Ratnagiri, Maharashtra- 415712
Tel: +91 23 5823 4709/4828/4582 | www.lotusresorthotels.com

kamfotel
Nashik

Kamfotel Nashik, ideal for both business and leisure travellers.

Situated in the central part of the city, the hotel provides easy access to all major business, commercial, entertainment, and pilgrimage centres in Nashik.

TOTAL ROOMS: 21 | BANQUETS: 03

FOOD & BEVERAGES OUTLETS

CROSSROADS
ALL DAY FINE DINE

Theme: Fine Dinning
Timings: 7am - 11pm
Cuisine: Multi-Cuisine

Kamat - Ni - Wadi
VEGETARIAN RESTAURANT

Theme: Open Air Restaurant
Timings: 10.30 am- 10.30 pm
Cuisine: Multi-Cuisine

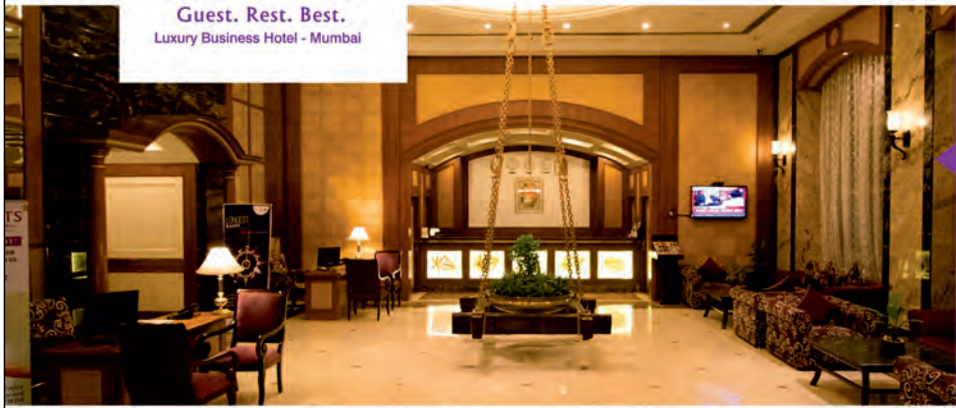
Distance From:

Domestic Airport Mumbai: **178 kms**
International Airport Mumbai: **175 kms**
Railway Station Vile Parle: **89 kms**

Reservations:

Kamfotel Hotel Nashik, Near Nasardi Bridge, Nashik - Pune Road, Nashik, Maharashtra 422011
Tel: +91 0253 2236581/82/84 | www.kamfotel.in

VITS®
Guest. Rest. Best.
Luxury Business Hotel - Mumbai

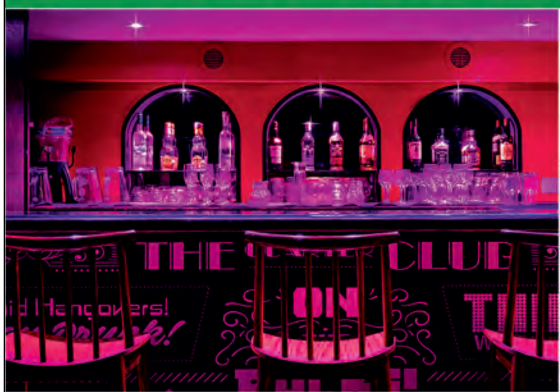


A 4 Star hotel near Mumbai International Airport

If you think that enjoying yourself on a business trip is next to impossible, book yourself a room at VITS Mumbai Hotel, and watch us prove you wrong.

TOTAL ROOMS: 195 | BANQUETS: 11

FOOD & BEVERAGES OUTLETS



Pool Side

Concept: All day Dinning
Personality: Energetic/Relaxed
Timings: 24 hrs
Cuisine: Indian,Chinese,Continental, Mexican,Tandoor

Q BAR

Concept: Lounge Bar
Personality: Vibrant/Cosmopolitan
Timings: 16.00hrs-01.30 hrs

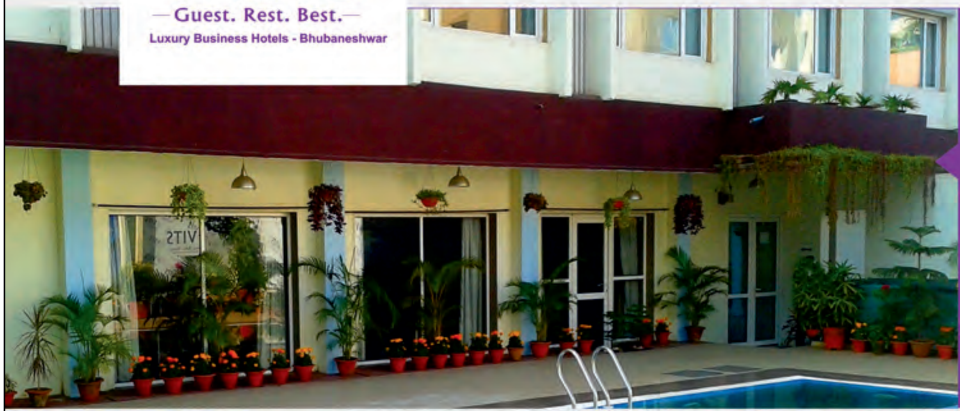
Distance From:

Domestic Airport Mumbai: **4 kms**
International Airport Mumbai: **1 km**

Reservations:

International Airport Zone, Andheri Kurla Road, Andheri East, Mumbai - 400 059.
Tel: +91 (22) 6151 7555 / 2827 0707 | Toll Free No: 1800 209 7555 | www.vitshotels.com/mumbai/

VITS
Guest. Rest. Best.
Luxury Business Hotels - Bhubaneshwar



One of the best mid market hotels in Bhubaneswar

In the 'Temple City of India' which flaunts the entire spectrum of Kalinga architecture, lies a perfect retreat for travellers visiting this temple town, Bhubaneswar.

TOTAL ROOMS: 110 | BANQUETS: 04

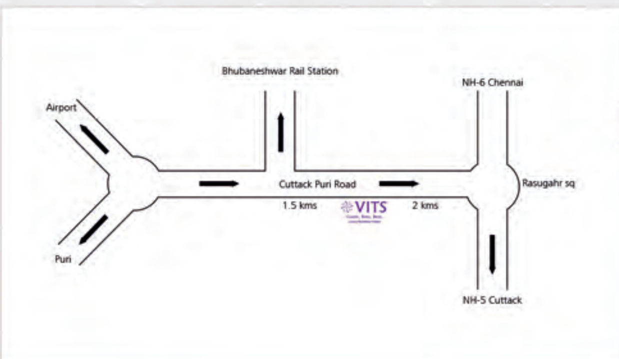
FOOD & BEVERAGES OUTLETS

The Sizzle

Concept: Modern
Personality: Energetic
Timings: 24 X 7
Cuisine: Multi-Cuisine

BEHIND BARS
Rest-O-Bar

Concept: Fork Bite
Personality: Calm and Quite
Timings: 12 pm to 12 am
Cuisine: Multi-Cuisine



Distance From:

Domestic/International Airport: **5.3 kms**
Railway Station: **4 .2 kms**

Reservations:

A/19, Cuttack Puri Road, Near Jatri Niwas, Laxmi Sagar, Bhubaneswar- 751 006.
Tel: +91 67 4714 5555 | resv.bbi@orchidhotel.com | www.vitshotels.com/bhubaneswar/

Financial Highlights of the Company (Standalone)

₹ in Lakhs

Particulars	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
Income from operations	19,239.08	17,031.51	15,466.91	15,084.55	13,331.29	13,405.76	13,831.97	14,162.77	12,070.28	10,281.27	12,003.96
Other Income	180.19	497.10	995.51	731.65	599.34	2,273.30	2,455.29	2,229.04	257.56	1,082.76	644.22
Total Income	19,419.27	17,528.61	16,462.42	15,816.20	13,930.63	15,679.06	16,287.26	16,391.81	12,327.84	11,364.03	12,648.18
Total Expenditure	15,837.02	14,172.05	14,449.49	16,369.34	20,400.20	40,489.66	17,203.91	16,373.20	11,821.83	11,299.55	11,660.17
Profit/(Loss) Before Tax	3,582.25	5,108.46	3,482.94	(553.14)	(6,469.57)	(24,810.60)	(916.65)	18.61	506.01	64.48	988.01
Taxation	1,075.29	1,319.43	24.99	(117.17)	(553.88)	(1,549.91)	(350.26)	(80.58)	349.10	(74.20)	421.92
Profit/(Loss) After Tax	2,506.96	3,789.03	3,817.95	(8,528.27)	(5,915.69)	(23,260.69)	(566.39)	99.19	137.32	138.68	566.09
Equity Share Capital	2,417.26	2,417.26	2,417.26	2,417.26	2,417.26	2,417.26	1,968.19	1,968.19	1,562.97	1,378.59	1,378.59
Reserves and Surplus	(5,149.28)	(7,660.80)	(11,379.08)	(13,585.02)	(5,056.76)	1,418.95	22,642.61	23,209.01	17,576.78	15,134.70	14,996.02
Net-worth	(3,025.95)	(5,537.47)	(9,255.75)	(11,461.69)	(2,933.42)	3,542.28	24,316.87	24,883.26	19,139.75	16,513.29	16,374.61
Earning per Share (Rs.)	10.63	16.07	16.19	(36.16)	(25.08)	(111.67)	(2.97)	0.62	0.96	1.05	2.99
Book Value per Share (Rs.)	(12.83)	(23.48)	(39.25)	(48.54)	(12.44)	15.02	127.36	130.32	127.25	125.13	124.07
Return on Net Worth (percentage)	NA	NA	NA	NA	NA	(656.66)	(2.33)	0.40	0.72	0.84	3.44
Dividend	-	-	-	-	-	-	-	-	-	-	12%

NOTES

KAMAT HOTELS (INDIA) LIMITED

KAMAT HOTELS (INDIA) LIMITED

BOARD OF DIRECTORS

Dr. Vithal V. Kamat
Executive Chairman and Managing Director

Mr. Bipinchandra C. Kamdar
Non Executive Director

Mr. S. S. Thakur
Independent Director
(Resigned w.e.f. 27th May, 2019)

Mr. Dinkar D. Jadhav
Independent Director

Mrs. Himali H. Mehta
Independent Director

Mr. Ramnath P. Sarang
Additional Non Executive Independent Director
(Appointed w.e.f. 27th May, 2019)

Ms. Smita Nanda
Chief Financial Officer

Mr. Amit Vyas
Company Secretary & Compliance Officer
(Resigned w.e.f. 13th May, 2019)

Mr. Shailesh Bhaskar
Company Secretary & Compliance Officer
(Appointed w.e.f. 27th May, 2019)

STATUTORY AUDITORS
M/s. N. A. Shah Associates LLP,
Chartered Accountants

INTERNAL AUDITORS
M/s. Anand Desai & Associates,
Chartered Accountants

M/s. R. D. A. & Associates,
Chartered Accountants

SECRETARIAL AUDITORS
M/s. V. V. Chakradeo & Co.
Company Secretaries

BANKERS
Kotak Mahindra Bank
UCO Bank
HDFC Bank
State Bank of India
Oriental Bank of Commerce
Axis Bank
Canara Bank

REGISTERED OFFICE
70-C, Nehru Road, Near Santacruz Airport,
Vile Parle (East), Mumbai – 400 099,
Maharashtra, India.
Email:cs@khil.com Website : www.khil.com
Tel No. 022 2616 4000

REGISTRARS AND SHARE TRANSFER AGENTS
Link Intime India Private Limited
C-101, 247 Park,
L.B. S. Marg, Vikhroli (West),
Mumbai – 400 083.
Email : rnt.helpdesk@linkintime.co.in
Website : www.linkintime.co.in
Tel No.022 49186270 Fax No. 022 49186060

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KAMAT HOTELS (INDIA) LIMITED

CIN: L55101MH1986PLC039307
Regd. Office : 70-C, Nehru Road, Near Santacruz Airport, Vile Parle (East), Mumbai -400 099.
Tel. No. 022 26164000, Website: www.khil.com, Email: cs@khil.com

NOTICE

Notice is hereby given that the Thirty Second Annual General Meeting of the members of **Kamat Hotels (India) Limited** will be held at "**Vishal Hall",** Hotel Highway Inn, Sir M. V. Road (Andheri-Kurla Road), Near Railway Station, Andheri (East), Mumbai – 400 069 on Wednesday, the 18th September, 2019 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (Standalone & Consolidated) of the Company for the financial year ended on 31st March, 2019 and Reports of the Board and Auditors thereon.

2. To appoint a Director in place of Mr. Bipinchandra C. Kamdar (DIN: 01972386), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

   "RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors and pursuant to the provisions of Sections 196, 197, 198, 203 and all other applicable provisions if any, read with Schedule V of the Companies Act, 2013 ('Act') and pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended and other applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and any subsequent amendment / modification in the Rules, Act and/or applicable laws in this regard, the approval of the Members of the Company be and is hereby accorded for the re-appointment and payment of remuneration to Dr. Vithal V. Kamat (DIN: 00195341) as an Executive Chairman and Managing Director of the Company who shall not be liable to retire by rotation, for a period of 3 years w.e.f. 1st October, 2019 to 30th September, 2022 on the terms specifically approved with powers to the Board of Directors (which term shall be deemed to include any committee thereof for the time being and from time to time, to which all or any of the powers hereby conferred on the Board by this resolution may have been delegated) including remuneration and perquisites as set out in the annexed Explanatory Statement in respect of Item No. 3 with authority to the Board of Directors to alter, amend, vary and modify the terms and conditions of the said re-appointment and remuneration payable from time to time as they deem fit in such manner and within the limits prescribed under Schedule V to the said Act or any statutory amendment(s) and/or modification(s) thereof.

   RESOLVED FURTHER THAT notwithstanding to the above, in the event of any loss or inadequacy of profits in any financial year of the Company during the tenure of Dr. Vithal V. Kamat as Executive Chairman and Managing Director of the Company, the remuneration and perquisites as mentioned in the preceding paragraph shall nevertheless be paid him in accordance with the limits prescribed in Schedule V read with Sections 196 and 197 of the Companies Act, 2013 and subject to the approval of the Central Government / Members at the General Meeting, if required, as amended from time to time subject to the compliance of provisions thereof.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary, expedient or desirable to give effect to this Resolution."

4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Ordinary Resolution:**

   "RESOLVED THAT Mr. Ramnath P. Sarang (DIN 02544807) who was appointed by the Board of Directors as an Additional Director of the Company with effect from 27th May, 2019 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 ("Act") who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company."

   RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, the appointment of Mr. Ramnath P. Sarang who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing

Regulations and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing from the date of his appointment i.e. 27th May, 2019 till 26th May, 2024 be and is hereby approved.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to take such steps as may be necessary, expedient or desirable to give effect to this resolution.

Registered Office:
70-C, Nehru Road, Near Santacruz Airport,
Vile Parle (East),
Mumbai - 400 099,
Maharashtra, India.

By Order of the Board of Directors
KAMAT HOTELS (INDIA) LIMITED

Place: Mumbai
Date: 5th August, 2019

Shailesh Bhaskar
Company Secretary & Compliance Officer

NOTES:

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) setting out material facts concerning the business under Item Nos. 3 and 4 of the Notice, is annexed hereto. The relevant details, pursuant to Regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this Annual General Meeting (“AGM”) are also annexed.

2. A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote in the meeting instead of himself / herself, and the proxy need not be a member of the Company. A person can act as a proxy on behalf of a maximum of 50 members and holding in aggregate not more than 10% of the total share capital of the Company. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy, provided that the person does not act as proxy for any other person or shareholder.

3. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board resolution to the Company or upload it on the e-voting portal, authorizing their representative to attend and vote on their behalf at the meeting.

4. The instrument appointing the proxy, duly completed, must be deposited at the Company’s registered office not less than 48 hours before the commencement of the meeting (on or before 16th September 2019, 11:00 a.m. IST). A proxy form for the AGM is enclosed.

5. During the period beginning 24 hours before the time fixed for the commencement of the AGM and until the conclusion of the meeting, a member would be entitled to inspect the proxies lodged during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.

6. Members / proxies / authorized representatives should bring the duly filled attendance slip enclosed herewith to attend the meeting.

7. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available for inspection by the members at the AGM.

8. The Register of Members and Share Transfer Books will remain closed from Wednesday, 11th September, 2019 to Wednesday, 18th September, 2019 (both days inclusive) for the purpose of AGM.

9. We urge members to support our commitment to environmental protection by choosing to receive their shareholding communication through email. You can do this by updating your email addresses with your depository participants.

10. The e-voting period commences on Friday, 13th September, 2019 (9:00 a.m. IST) and ends on Tuesday, 17th September, 2019 (5:00 p.m. IST). During this period, members’ holding shares either in physical or dematerialized form, as on the cut-off date, i.e. Wednesday, 11th September, 2019 may cast their vote electronically. The e-voting module will be disabled by NSDL for voting thereafter. A member will not be allowed to vote again on any resolution for which the vote has already been cast. The voting rights of members shall be proportionate to their share of the paid-up equity share capital of the Company as on the cut-off date, i.e. 16thAugust, 2019 E-voting rights cannot be exercised by a proxy, though corporate and institutional shareholders shall be entitled to vote through their authorized representatives with proof of their authorization.

11. The Annual Report 2018-19, the Notice of the 32nd AGM, and instructions for e-voting, along with the attendance slip and proxy form, are being sent by electronic mode to members whose email addresses are registered with the Company / depository participant(s), unless a member has requested for a physical copy of the documents. For members who have not registered their email addresses, physical copies are being sent by the permitted mode.

12. Members may also note that the Notice of the 32nd AGM and the Annual Report 2018-19 will be available on the Company’s website, www.khil.com.

13. Additional information, pursuant to Regulation 36 of the Listing Regulations, in respect of the directors seeking appointment / reappointment at the AGM, forms part of the Notice.

14. The 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 are required to submit their PAN details to the Registrar and Share Transfer Agents.

15. All documents referred to in the Notice will be available for inspection at the Company's registered office during normal business hours on working days up to the date of the AGM.

- The attendance registration procedure for the AGM is as follows:

  a. Shareholders are requested to tender their attendance slips at the registration counters at the venue of the AGM and seek registration before entering the meeting hall.

  b. The shareholder needs to furnish the printed attendance slip along with a valid identity proof such as the PAN card, passport, AADHAAR card or driving license to enter the AGM hall.

- Instructions for e-voting

  In compliance with Regulation 44, SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, and Section 108 and other applicable provisions of the Companies Act, 2013, read with the related Rules, the Company is pleased to provide e-voting facility to all its members, to enable them to cast their votes electronically. The Company has engaged the services of NSDL for the purpose of providing e-voting facility to all its Members.

  The instructions for e-voting are as follows:

  Step 1: Log in to NSDL's e-voting system at https://www.evoting.nsdl.com/

  Step 2: Cast your vote electronically on NSDL's e-voting system.

Step 1: How to Log-in to NSDL e-voting website?

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile phone.

2. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company. For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

   a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.

   b) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

ii. If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

Click on "**Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: How to cast your vote electronically on NSDL e-voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-voting. Click on e-voting. Then, click on Active Voting Cycles.

2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

3. Select "EVEN" of the Company,

4. Now you are ready for e-voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. Please remember that you are not allowed to modify your vote once you confirm your vote on a resolution.

• General guidelines for shareholders

Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send a scanned copy (PDF / JPG Format) of the relevant Board Resolution / Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to vvchakra@gmail.com with a copy marked to evoting@nsdl.co.in.

It is strongly recommended that you do not to share your password with any other person and take utmost care to keep your password confidential. Log in to the e-voting website will be disabled upon five successful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot User Details / Password?' or the 'Physical User Reset Password?' option available on www.evoting.nsdl.com, to reset the password.

In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for shareholders and the e-voting user manual for shareholders available in the download section of www.evoting.nsdl.com, or call on the toll-free no.: 1800-222-990, or contact National Securities Depository Ltd., Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, at the designated email address: pallavid@nsdl.co.in/evoting@nsdl.co.in or at telephone no. +91 22 2499 4545 who will also address grievances connected with voting by electronic means.

The voting rights of members shall be proportionate to their share of the paid-up equity share capital of the Company as on the relevant date i.e. 16thAugust, 2019.

The Scrutinizer shall, immediately after the conclusion of voting through Postal Ballot, count the votes cast, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 48 hours of conclusion of voting through Postal Ballot, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or any person authorised by him, who shall countersign the same. The Scrutinizer's decision on the validity of a Ballot Form will be final and binding.

The results declared along with the Scrutinizer's Report shall be displayed at the Registered Office of the Company, placed on the Company's website www.khil.com and on the website of NSDL, www.evoting.nsdl.com immediately after the result is declared. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using *"Forgot User Details/Password?" or "Physical User Reset Password?"* option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

i. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

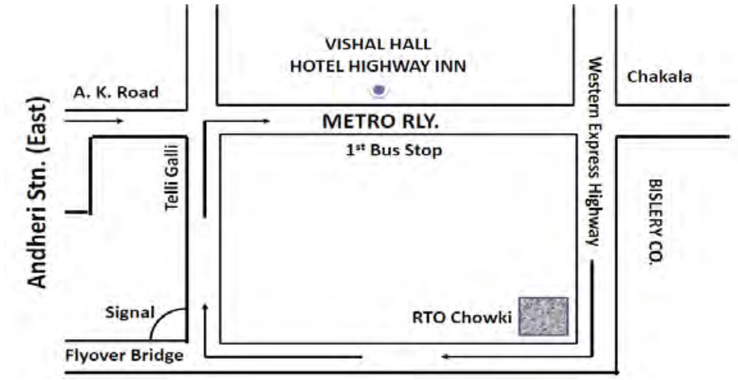
ii. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

iii. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the Annual General Meeting.

iv. The scrutinizer shall within 48 hours of the conclusion of AGM, submit a consolidated Scrutinizer's report of the votes cast in favour or against, to the Chairman of the AGM ["Chairman"]or any Director or any person authorized by the Chairman for this purpose who shall counter sign the same.

v. The results declared along with the Scrutinizer's Report shall be placed on the website of the Company (www.khil.com) and on the website of the NSDL and communicated to the Stock Exchanges.

Route map of the venue:



By Order of the Board of Directors
of KAMAT HOTELS (INDIA) LIMITED

Place: Mumbai.
Date : 5th August, 2019

Shailesh Bhaskar
Company Secretary &
Compliance Officer

ANNEXURE I TO THE NOTICE

EXPLANATORY STATEMENT SETTING OUT THE MATERIAL FACTS AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013.

ITEM No. 3:

The shareholders had, at the 29th Annual General Meeting held on 24th September, 2016, appointed Dr. Vithal V. Kamat as Executive Chairman and Managing Director of the Company for a period of 3 years from 1st October, 2016. The tenure of Dr. Vithal V. Kamat as Executive Chairman and Managing Director will expire on 30th September, 2019.

Therefore it is proposed that Dr. Vithal V. Kamat be reappointed as Executive Chairman and Managing Director of the Company for a further period of 3 years from 1st October, 2019.

Dr. Vithal V. Kamat satisfied all the conditions set out in Part-I of Schedule V to the Companies Act, 2013 (including any amendments thereto) as also the conditions set out under sub-section (3) of Section 196 of the Companies Act, 2013 for being eligible for re-appointment.

Disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard-2 issued by the Institute of Company Secretaries of India are set out in the Annexure to the Explanatory Statement.

Pursuant to the recommendation of Nomination and Remuneration Committee and the Board of Directors at their meetings held on 27th May, 2019, approved the re-appointment of Dr. Vithal V. Kamat as an Executive Chairman and Managing Director for a period of 3 years effective from 1st October, 2019 on the following terms and conditions, subject to approval of the members in general meeting.

REMUNERATION

Remuneration of ₹ 98,00,000/- per annum in the form of salary will be paid for a period of one year with effect from 1stOctober, 2019.

The remuneration payable to Dr. Vithal V. Kamat during the remaining period of his term as an Executive Chairman and Managing Director i.e. from 1st October, 2020 to 30th September, 2022, will be determined by the Board on the recommendation of the Nomination and Remuneration Committee subject to the overall limits as provided under the Act.

The following perquisites shall not be included in the computation of the said ceiling on “remuneration”:•

- Contribution to provident fund, superannuation fund or annuity fund to the extent these contributions, either singly or put together, are not taxable under the Income Tax Act, 1961.
- Gratuity payable as per the rules of the Company, so as not to exceed half month’s salary for each completed year of service.
- Encashment of leave: As per the Company’s Rules, at the end of the tenure.

Other perquisites:

- Medical expenses on actual basis to be reimbursed for self and family. In addition, Mediclaim coverage for self and family as per the rules of the Company will be available to Dr. Vithal V. Kamat.
- Reimbursement of electricity charges.
- Telephone at actuals.
- Club fee: actuals for not exceeding two clubs.
- Leave travel allowance: As per the rules of the Company.
- Dr. Vithal V. Kamat will be entitled to all other staff benefits/ various staff welfare schemes as are provided under the rules of the Company prevailing from time to time.

Other terms of appointment:

- As the Executive Chairman and Managing Director, Dr. Vithal V. Kamat shall, subject to the supervision and control of the Board of Directors, manage the business and affairs of the Company.
- Dr. Vithal V. Kamat will not be paid any fee for attending the meetings of the Board or any Committee thereof.
- Dr. Vithal V. Kamat will not be liable to retire by rotation.
- The appointment may be terminated at any time by either party giving to the other party six months notice of such termination and neither party will have any claim against the other for damages or compensation by reason of such termination.
- Tenure: 01-10-2019 to 30-09-2022.

The brief resume of Dr. Vithal V. Kamat is provided in **Annexure II** to the notice.

Accordingly, consent of the Members is sought for passing Special Resolution as set out in this item of the Notice for re-appointment of Dr. Vithal V. Kamat as Executive Chairman & Managing Director of the Company w.e.f. 1st October, 2019 upto 30th September, 2022. A Copy of Agreement entered into between the Company and Dr. Vithal V. Kamat for re-appointment of his terms is available for inspection between 11.00 a.m. to 1.00 p.m. during office hours on all working days except Sundays and Holidays at the Registered Office of the Company.

None of the Directors and Key Managerial Personnel except Dr. Vithal V. Kamat is concerned or interested, financially or otherwise, in the said resolution. The Directors recommend the passing of the resolutions set out at Item No. 3 of the accompanying Notice as special resolution.

ITEM NO. 4:

In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of an Independent Director requires approval of members. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has proposed that Mr. Ramnath P. Sarang (DIN: 02544807) be appointed as an Independent Director on the Board of the Company.

The appointment of Mr. Ramnath P. Sarang, shall be effective upon approval by the members in the Meeting. The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Ramnath P. Sarang for the office of Director of the Company. Mr. Ramnath P. Sarang is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has received a declaration from Mr. Ramnath P. Sarang that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”). In the opinion of the Board, Mr. Ramnath P. Sarang fulfils the conditions for his appointment as an Independent Director as specified in the Act and the Listing Regulations.

He is neither related to any director of the company nor has any shareholding in the Company. Further, he is not debarred from holding office of Director by virtue of SEBI or any such authority.

Mr. Ramnath P. Sarang is independent of the management and possesses appropriate skills, experience and knowledge. Details of Mr. Ramnath P. Sarang are provided in the **Annexure II** to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India.

Copy of draft letter of appointment of Mr. Ramnath P. Sarang setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice. This statement may also be regarded as an appropriate disclosure under the Listing Regulations. The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the members.

DISCLOSURES:

The required disclosures are mentioned in Corporate Governance section of the Annual Report.

By Order of the Board of Directors
of KAMAT HOTELS (INDIA) LIMITED

Place: Mumbai.
Date : 5th August, 2019

Shailesh Bhaskar
Company Secretary &
Compliance Officer

ANNEXURE II TO THE NOTICE dated 27th May, 2019

As required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a brief profile of the Directors seeking appointment/ re-appointment is as follows:

1. Name: **Dr. Vithal V. Kamat (DIN 00195341) Age - 67 years**

   Dr. Vithal V. Kamat, Executive Chairman and Managing Director of Kamat Hotels (India) Limited, is a well known hotelier in the Country. He is in the hospitality business for about 46 years. Under his leadership and due to his initiation “The Orchid” (Flagship unit of the Company) hasbecome Asia’s First Ecotel Hotel in 5 star category. Dr. Vithal V. Kamat is also instrumental in winning 97 prestigious national and international awards for “The Orchid” within a span of about years since the opening of this hotel. He is a diploma holder in Electrical Engineering (IV Sem.) and was honored with the degree of Doctor of Science (Honoris Causa) by Padmashree Dr. D. Y. Patil University on 13th April, 2012. Also awarded the IHC Life Time Achievement Award in Hospitality was honored by International Hospitality Council London published in IIHM Times in May, 2019 and Times Hospitality Icon - Veteran Hotelier award – 2019.

Remuneration last drawn (including sitting fees, if any)	: :	Remuneration: ₹ 98,00,000 per annum. sitting fees :NIL
Date of first appointment on the Board	:	21-03-1986
Shareholding in Kamat Hotels (India) Ltd as on March 31, 2019	:	32,54,990 Shares
Number of meetings of the Board attended during the financial year (2018-19):	:	5
Relationship with other Directors	:	No inter - relationship with other Directors
Directorships held in other Listed Companies:		NIL
Audit Committee Membership in other Listed Companies		NIL
Stakeholders Relationship Committee Membership in other Listed Companies		NIL

2. Name: **Mr. Bipinchandra C.Kamdar (DIN 01972386) Age- 91 years**

   Mr. Bipinchandra C. Kamdar is a Science Graduate and has experience of more than 33 years in hotel industry.

Remuneration last drawn (including sitting fees, if any)	: :	Remuneration :NIL sitting fees : ₹ 2,15,000
Date of first appointment on the Board	:	06-08-2016
Shareholding in Kamat Hotels (India) Ltd as on March 31, 2019	:	NIL
Number of meetings of the Board attended during the financial year (2018-19):	:	5
Relationship with other Directors	:	No inter - relationship with other Directors
Directorships held in other Listed Companies:	:	NIL
Audit Committee Membership in other Listed Companies	:	NIL
Stakeholders Relationship Committee Membership in other Listed Companies	:	NIL

3. Name: **Mr. Ramnath P. Sarang (DIN 2544807) Age- 66 years**

   Mr. Ramnath P. Sarang is a B.Com Graduate (Hons) with varied and rich professional having over 25 years of experience in the hospitality Industry.

Remuneration last drawn (including sitting fees, if any)	: :	Remuneration :NIL sitting fees :NIL
Date of first appointment on the Board	:	27-05-2019
Shareholding in Kamat Hotels (India) Ltd as on March 31, 2019	:	NIL
Number of meetings of the Board attended during the financial year (2018-19):	:	Not applicable
Relationship with other Directors	:	No inter - relationship with other Directors
Directorships held in other Listed Companies:	:	NIL
Audit Committee Membership in other Listed Companies	:	NIL
Stakeholders Relationship Committee Membership in other Listed Companies	:	NIL

KAMAT HOTELS (INDIA) LIMITED

BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the 32nd Annual Report together with the Audited Financial Statements (Standalone and Consolidated)of the Company for the financial year ended 31st March, 2019.

FINANCIAL SUMMARY:

The financial summary for the year under review is as below:

(₹ in Lakhs)

	Standalone	
Particulars	**Year ended 31st March, 2019**	**Year ended 31st March, 2018**
Total Income	**19,419.27**	**17,528.61**
Profit Before Interest, Depreciation &Taxation	6,881.33	6,010.63
Less: Interest and Finance Charges (net)	2,203.26	1,479.94
Less: Depreciation and Amortisation	1,095.82	1,174.13
Profit Before Exceptional Item and Tax	**3,582.25**	**3,356.56**
Add/(Less): Exceptional Item	-	1,751.90
Profit Before Tax	**3,582.25**	**5,108.46**
Less: Current tax (including for earlier years)	100.54	8.98
Deferred Tax charge / (credit) (including previous year charge)	974.75	1,310.45
Profit After Tax	**2,506.96**	**3,789.03**
Other Comprehensive Income	4.56	(3.90)
Total Comprehensive Income	2,511.52	3,785.13
Basic & diluted earnings per share (in ₹)	**10.63**	**16.07**

PERFORMANCE REVIEW:

The average occupancy level of The Orchid, Mumbai, was around 85%. The average occupancy level of VITS Mumbai was around 80%. The Average Room Rate, during the year under review, was at ₹ 6,108 at The Orchid, Mumbai as compared to ₹ 5,869 in the previous year and at ₹ 4,404 at VITS, Mumbai as compared to ₹ 4,325 in the previous year.

ADOPTION OF IND AS:

The financial statements of Kamat Hotels (India) Limited, its subsidiaries and Joint Venture Company are prepared in accordance with the Indian Accounting Standards (referred to as 'Ind AS') prescribed under section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, as amended from time to time.

STANDALONE:

The total revenue from operations of the Company for the year was recorded at ₹ 19,239.08 (of which the turnover of ₹ 11,427.60 lakhs pertains to The Orchid, Mumbai, ₹ 3,967.69 lakhs pertains to VITS, Mumbai and ₹ 3,843.79 lakhs pertains to other units) as against ₹ 16,852.23 lakhs in the previous year, an increase of around 14% over the last year. The Company's profit after tax is ₹ 2,506.96 lakhs as compared to ₹ 3,789.03 lakhs of previous year.

MANAGEMENT/ FRANCHISEE / CONTRACTS/OTHERS:

During the year under review, the agreements entered for Management of the Orchid Hotel Pune and VITS Bhubaneswar continued. Also the arrangement under Business Contract Agreement for operation of Mahodadhi Palace Puri continued.

FANI CYCLONE:

The Company's unit at Lotus Resorts situated at Konark, Odisha heavily affected by 'Fani Cyclone'. The Company along with the help of its lenders and other stakeholders were able to revive the said unit within a very short span of time. Out of the total 27 rooms, 25 rooms are now operational. Further, the Company's managed hotel property Mahodadhi Palace at Puri, Odisha has been affected due to 'Fani' Cyclone. The Management has taken steps to revive the same.

DIVIDEND:

With view to conserve resources of the Company for future operations, the Directors have not recommended any dividend for the Financial Year ended 31st March, 2019.

TRANSFER TO RESERVES:

The Company has not transferred any amount to the General Reserve for the financial year ended 31st March 2019.

SHARE CAPITAL:

During the year under review, there was no change in the Authorised or Paid up Share Capital of the Company. As on 31st March, 2019, the Authorised Share Capital of the Company was ₹ 3,425.00 lakhs (excluding forfeited share capital) divided into 3,42,50,000 equity shares of ₹ 10/- each whereas the issued, subscribed and paid up capital stood at ₹ 2,358.41 lakhs divided into 2,35,84,058 equity shares of ₹ 10/- each.

MATERIAL CHANGES AND COMMITMENTS:

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and date of this report. There has been no change in the nature of business of the Company.

REPORT ON THE PERFORMANCE AND FINANCIAL POSITION OF EACH OF THE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES IN TERMS OF RULE 8(1) OF COMPANIES (ACCOUNTS) RULES, 2014:

In accordance with the provisions of the Companies ("the Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Ind AS 110, the Audited Consolidated Financial Statement forms part of the Annual Report.

A copy of Audited Financial Statements of the Subsidiaries/Associates/Joint Ventures shall be made available for inspection at the Registered Office of the Company during business hours. Any shareholder interested in obtaining a copy of separate Financial Statement of the Subsidiaries/ Associates/Joint Ventures shall make specific request in writing to the Corporate Secretarial Department of the Company.

The Audited Financial Statements of the Subsidiaries/ Associates/Joint Ventures are also available on the website of the Company. In view of this, the Balance Sheet, Statement of Profit and Loss and other related documents of the Subsidiaries/ Associates/ Joint Ventures are not attached in this Annual Report. However, the statement containing the salient features which is required to be given in Form AOC -1 are provided in page no. 160 to the Consolidated Financial Statement of the Company, hence not repeated for the sake of brevity. As on 31st March, 2019 the Company had the following Subsidiaries and a Joint venture Company:

SUBSIDIARY COMPANIES:

1. Orchid Hotels Pune Private Limited (OHPPL)
2. Mahodadhi Palace Private Limited (MPPL)
3. Kamats Restaurants (India) Private Limited (KRIPL)
4. Fort Jadhavgadh Hotels Private Limited (FJHPL)
5. Orchid Hotels Eastern (I) Private Limited (OHEIPL)

JOINT VENTURE COMPANY:

Ilex Developers & Resorts Limited (IDRL)

During the year, the Company had not sold or liquidated any of its Subsidiaries / Associates /Joint Ventures and no Subsidiaries/Associates/ Joint Ventures became/ ceased to be Subsidiaries/Associates/Joint Ventures of the Company and all Subsidiaries/Associates/Joint Ventures are operative.

SECRETARIAL STANDARDS:

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL APPOINTED OR RESIGNED DURING THE YEAR:

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Bipinchandra C. Kamdar (DIN 01972386), Director of the Company, retire by rotation, at the ensuing Annual General Meeting. By the Notification dated 9th May, 2018, Securities and Exchange Board of India ("SEBI") amended the Listing Regulations, 2015 by incorporating Regulation 17(1A) in the Listing Regulations, 2015 to be effective from 1st April, 2019. According to the said Regulation, no listed company shall appoint or continue the directorship of a person who has attained age of 75 years unless special resolution is passed to that effect. Mr. Bipinchandra C. Kamdar is 91 years as on date and therefore, a special resolution was passed in 31st Annual General Meeting for continuation of holding office of Non- Executive Director of the Company, by Mr. Bipinchandra C. Kamdar, who will be above the age of 75 years as on 1st April, 2019 to comply with the above amendment.

Mr. S.S. Thakur resigned from the post of independent director from the close of working hours of 27th May, 2019 due to his personal reasons. The Board of Directors places on record the contribution made by him during his association with the company.

Further, Mr. Ramnath P. Sarang is appointed as a Non Executive Independent Director (Additional Director) on the Board of the Company w.e.f 27th May, 2019 based on the recommendation of Nomination and Remuneration Committee to hold office up to the ensuing Annual General Meeting of the Company, subject to ratification by the members at the ensuing Annual General Meeting of the Company for his appointment as Independent Director for a term of 5 years.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence prescribed under the Act and the Listing Regulations.

Mr. Amit Vyas being Company Secretary, Compliance Officer and Key Managerial Personnel of the Company resigned w.e.f 13th May, 2019. Mr. Shailesh Bhaskar was appointed as the Company Secretary and Key Managerial Personnel and also as the Compliance Officer of the Company w.e.f 27th May, 2019.

FAMILIARISATION PROGRAMMES FOR INDEPENDENT DIRECTORS:

The Company constantly endeavors to familiarize its Independent Director on the functioning of the Company, so that they are aware of the functions of the Company and their expertise can be utilized for the good of the Company. In this view the Company has conducted Familiarization Programmes to familiarize the Independent Directors of the Company. Details of the same are disclosed on the website of the Company and the web link of the same is http://www.khil.com/investors/policies.html

EXTRACT OFANNUAL RETURN:

An extract of Annual Return in Form MGT-9 as provided under sub-section (3) of Section 92 of the Companies Act, 2013 is enclosed as "***Annexure A"*** forming part of this Annual Report.

NUMBER OF MEETINGS OF THE BOARD:

During the financial year under review, 5 (five) meetings of the Board of Directors were held. The intervening gap between two Board meetings was not more than 120 days. The particulars of meetings held and attended by each Director are detailed in the Corporate Governance Report, which forms part of this Report.

DIRECTORS' RESPONSIBILITY STATEMENT:

Your Directors state that:

1. in the preparation of the annual accounts for the year ended 31st March 2019, the applicable accounting standards read with requirements set out under Schedule III to the Act have been followed and that there are no material departures from the same;
2. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2019 and of the profit of the Company for the financial year ended on that date;
3. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The annual accounts have been prepared on a going concern basis;
5. The Directors have laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and are operating effectively; and
6. Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

NOMINATION AND REMUNERATION POLICY:

In terms of Section 178 (3) of the Companies Act, 2013, and Listing Regulations, a policy on Nomination and Remuneration of Directors and Senior Management Employees including, inter alia, criteria for determining qualifications, positive attributes, independence of directors and policy on Board diversity was formulated by the Nomination and Remuneration Committee and has been adopted by the Board of Directors. The said policy is enclosed as "***Annexure B"*** to this Report. The said policy is also made available on the website of the Company www.khil.com and its web link is http://www.khil.com/investors/policies.html.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

Particulars of loans given, guarantees given, Investments made and securities provided by the Company under Section 186 of the Companies Act, 2013 are given as under:

(₹ In lakhs)

Particulars	Opening Balance	Movement during the year*	Closing Balance
Loans given	20,065.14	-	20,065.14
Guarantee Given / Security Provided	21,786.94	-	21,786.94
Investment Made	20.05	0.22	20.27

* Movement during the year represents Fair value adjustment.

During the year under review, no new loans, guarantees or investments were made or provided by the Company-

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTY:

In line with the requirements of the Companies Act, 2013 and Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is also available on Company's website at www.khil.com/policies. The Policy intends to ensure that proper reporting; approval and disclosure processes are in place for all transactions between the Company and Related Parties. All transactions entered by the Company with Related Parties were in ordinary course of business and at arm's length basis.

The Audit Committee has granted omnibus approval for the transactions (which are repetitive in nature) and the same was reviewed by the Audit Committee and Board of Directors.

There was no materially significant transaction with related parties during the Financial Year 2018-19 and none of the transactions with any of related parties were in conflict with the Company's interest. Particulars of contracts/ arrangements with related parties as referred to in sub-section (1) of section 188 of the Companies Act, 2013 and LODR are given in Form AOC 2 and the same is annexed as "**Annexure C**" hereto and forms a part of this report.

Suitable disclosure as required under Ind-AS-24 has been made in Notes to the Financial Statements.

STATEMENT OF ANNUAL PERFORMANCE EVALUATION OF BOARD, COMMITTEES AND DIRECTORS:

The Company has established the procedure for performance evaluation of the Board, Committees and other individual Directors (including Independent Directors) which include criteria for performance evaluation of Non-executive Directors and Executive Directors. The performance evaluation process inter-alia considers attendance of Directors at Board and Committee Meetings, acquaintance with business, communication inter se board members, effective participation, domain knowledge, and compliance with code of conduct, vision and strategy.

The Board carried out an annual performance evaluation of the Board, Committee, Individual Directors and the Chairperson. The Chairman of the respective Committees shared the report on evaluation with the respective Committee members. The performance of each Committee was evaluated by the Board, based on evaluation report received from respective Committees.

The report on performance evaluation of the individual Directors was reviewed by the Chairman of the Board and feedback was given to Directors.

MEETING OF INDEPENDENT DIRECTORS:

The Meeting of Independent Directors was conducted in an informal and flexible manner to enable the Independent Directors to discuss matters pertaining to inter alia review of performance of Non-Independent Directors and the Board as a whole, review the performance of the Executive Chairman of the Company (taking into account the views of the Executive and Non- Executive Directors), review the performance of the Company, assess the quality, quantity and timeliness of flow of information between the Company Management and the Board which is necessary for the Board to effectively and reasonably perform their duties.

The meeting of Independent Directors for the Financial Year under review was held on 28th May, 2018.

The Chairman of the meeting of Independent Directors apprises the Chairman of the Company regarding the views/concerns, if any, of Independent Directors.

VIGIL MECHANISM:

The Company has established a Vigil Mechanism for Directors and employees to report genuine concerns. The Vigil Mechanism enable the Directors, employees and all stakeholders of the Company to report genuine concerns and provides for adequate safeguards against victimization of person who use Vigil Mechanism and also makes provision for direct access to the Chairman of the Audit Committee.

The detail of Vigil Mechanism is put on the Company's website and can be accessed at www.khil.com and its web link is http://www.khil.com/investors/policies.html

AUDIT COMMITTEE:

The composition of the Audit Committee as required to be disclosed under Section 177(8) of the Companies Act, 2013 is given in Corporate Governance report which forms part of this Annual Report. During the year under review, all the recommendation made by the Audit Committee was accepted by the Board.

RISK MANAGEMENT:

Your Company has a well defined Risk Management framework, which is designed to enable risk to be identified, assessed and mitigated appropriately. A quarterly review report on compliance with Risk Management framework of the Company is placed before the Audit Committee of the Company.

During the year under review, no risk threatening the existence of the Company was identified.

DISCLOSURE OF PECUNIARY RELATIONSHIP:

During the year, there was no pecuniary relationship or transactions between non-executive directors and the company. No payment, except sitting fees, was given to non-executive directors of the Company. No convertible instruments are held by any of the non-executive directors.

DETAILS OF SHARES ISSUED WITH DIFFERENTIAL VOTING RIGHTS AND SWEAT EQUITIES:

During the year under review, the company has not issued any shares with differential voting rights as to dividend, voting or otherwise and sweat equity shares.

EMPLOYEE STOCK OPTION SCHEME:

During the year under review, no option was granted or vested to any employee or Directors of the Company.

PROVISION OF MONEY BY COMPANY FOR PURCHASE OF ITS OWN SHARES BY EMPLOYEES OR BY TRUSTEES FOR THE BENEFIT OF EMPLOYEES:

The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustee for the benefit of employees.

DEPOSITS:

The Company did not accept any deposits within the meaning of Section 73 of the Companies Act, 2013 and Rules made there under at the beginning of the year. During the year under review, the Company has neither invited nor accepted any deposit under Section 73 of the Companies Act, 2013 and the rules made there under and no deposit was remaining unpaid or unclaimed as at the end of the year.

COST AUDIT

The Company is not required to maintain cost records as specified by the Central Government under Section 148(1) of the Act.

SECRETARIAL AUDITOR:

In terms of the provision of the Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed M/s. V. V. Chakradeo & Co., Practicing Company Secretaries, to conduct the Secretarial Audit for the financial year ended 31st March, 2019.

The Secretarial Audit Report for the Financial Year ended 31st March 2019 issued by M/s. V. V. Chakradeo & Co., Practicing Company Secretaries is annexed herewith marked as "***Annexure D"*** to this Annual Report.

DETAILS AS PER SECTION 197(12) READ WITH RULE 5 OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AND FORMING PART OF THE BOARD'S REPORT FOR THE YEAR ENDED 31ST MARCH 2019:

Disclosures relating to remuneration of Directors, Key Managerial Personnel (KMPs) and employees as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in "***Annexure E"*** to this Report.

During the year under review, there were no employees falling under the criteria specified under section 197(12) of the Companies Act, 2013 and rule 5(2) of the of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. However, other information as required under said rule may be obtained by the members by writing to the Company Secretary of your Company and the same be furnished on request and is also made available on the Company's website i.e.www.khil.com.

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

Conservation of Energy:

(i) the steps taken or impact on conservation of energy;

(ii) the steps taken by the company for utilising alternate sources of energy; (iii) the capital investment on energy conservation equipments;

The Company continued energy conservation efforts during the year. It has closely monitored power consumption and running hours on day to day basis, thus resulting in optimum utilization of energy. The hotels are fitted with energy saving devices to conserve energy in the long run.

a) Technology Absorption:

(i) the efforts made towards technology absorption: The activities of the Company at present do not involve technology absorption and research and development.

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution; N.A.

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

(a) the details of technology imported; N.A. (b) the year of import; N.A.

(c) whether the technology been fully absorbed; N.A.

(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; N.A. and

(e) the expenditure incurred on Research and Development. N.A.

The activities of the Company at present do not involve technology absorption and research and development.

(f) Foreign exchange earnings and outgo:

Earnings: 2,065.03 Lakhs (Previous Year ₹ 2,012.80 Lakhs)

Utilization (including import of capital goods): 110.49 Lakhs (Previous Year ₹ 180.34 Lakhs)

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

During the year under review, no significant or material orders were by passed by the regulators or courts or tribunals which impact going concern status of the company and its operations in future.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENT:

Your Directors have devised a framework for Internal Financial Controls as per the requirements of Section 134(5) (e) of the Companies Act, 2013 and incorporates measures that ensure adequate and continuing operating effectiveness of internal financial controls.

Furthermore, in accordance with Section 149(8), read with the Code for Independent Directors laid down under Schedule IV, Clause II (4) of the Companies Act, 2013, the Independent Directors have satisfied themselves on the integrity of financial information and have ensured that Financial Controls and systems are robust and secure.

In order to enable the Directors to meet these responsibilities, the Board has devised the necessary systems, frameworks and mechanisms within the Company. The Board has empowered the Audit Committee to periodically review and confirm that the mechanism remains effective and fulfill the objectives for which they have been created.

DISCLOSURES RELATING TO UNCLAIMED SUSPENSE ACCOUNT AS PER REGULATION 34(3) READ WITH SCHEDULE V(F) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATION, 2015:

Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year	Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the year	Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year
One shareholder having 500 equity shares	NIL	NIL	One shareholder having 500 equity shares

The voting rights on the shares in unclaimed suspense account shall remain frozen till the rightful owner of such shares claims the shares.

CORPORATE SOCIAL RESPONSIBILITY:

The Company understand the importance of the society in smooth functioning of the business. Thus, to acknowledge the constant support provided by the society, the Company involves itself in different corporate social responsibilty activities.

Brief outline of Corporate Social Responsibility (CSR Policy of company and the initiatives undertaken by the Company on CSR activities during the under review are set out in "**Annexure F**" of this report in the format prescribed under the Companies (CSR Policy) Rules, 2014. The CSR Policy is available on the website of the Company.

The CSR committee on a continuous basis manifests the activities through which it can have positive impact on the society and be beneficial for larger good of the people.

MANAGEMENT DISCUSSION AND ANALYSIS:

Management's Discussion and Analysis Report for the year under review, as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is given as "**Annexure G**".

CORPORATE GOVERNANCE:

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by the Securities and Exchange Board of India (SEBI). The Report of Corporate Governance as stipulated under the Listing Regulations is annexed as "**Annexure H**". The requisite Certificate from M/s. V. V. Chakradeo, Practicing Company Secretaries confirming compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance.

IMPLEMENTATION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has constituted Internal Complaints Committee at all the units of the Company under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review, no instance of Sexual Harassment of Women under the said Act has been reported in any of the units of the Company.

STATUTORY AUDITORS:

M/s. N. A. Shah Associates LLP, Chartered Accountants, Mumbai were appointed as Statutory Auditors of your Company at the Annual General Meeting held on 22nd September, 2017 for a term of five consecutive years. As per the provisions of Section 139 of the Companies Act, 2013, the appointment of Auditors is required to be ratified by Members at every Annual General Meeting. In accordance with the Companies (Amendment) Act, 2017, enforced on 7th May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

EXPLANATION ON QUALIFICATION MADE BY STATUTORY AUDITORS / SECRETARIAL AUDITOR:

With respect to one of the subsidiaries (Orchid Hotels Pune Private Limited) reference has been invited by the Statutory Auditor to note 32.1 (d) of notes to the consolidated financial statements (Note 6(a)(i) of the consolidated financial results). As against the lender's (International Asset Reconstruction Company Private Limited ('IARC')} claim upto 24th December, 2018 of ₹ 42,110.91 lakhs, the liability as per the books is only ₹ 18,833.99 lakhs (this amount includes interest liability accounted in books upto 30th September, 2013). IARC has acquired the loans on assignment from Asset Reconstruction Company India Limited ('ARCIL') at a consideration of ₹ 13,500 lakhs. Interest has not been provided in the books from 1st October, 2013 till 31st March, 2019. In the auditors' opinion, the same is not in compliance with Ind AS 23- Borrowing Cost. Further, the change in claim by the lender from 25th December, 2018 till 31st March, 2019 has not been considered. Had the provision been made based on the claim made by the lender, borrowing cost and the negative net worth as at 31st March, 2019 would increase by the amount of difference in liability as stated above plus the interest from 25th December, 2018 upto 3rd March, 2019, both of which have not been provided. Further, the qualified opinion given by the auditors was also reported in their independent audit report for financial year 2017-18 dated 28th May, 2018.

The management confirms that the proposal for amicable resolution of the settlement of the loan (including interest) is under process and management expects that the settlement amount would not be higher than the amounts already recorded in the books. In view of the same, the management is of the opinion that no further provision for interest is required to be made in the books and accordingly the same is in order.

EMPLOYEE RELATIONS:

The Management realizes the role and importance of its employees for growth of the business. Therefore, the Company continuously strives to maintain cordial relationship with its employees. They are also given opportunities to rise and have impact on the working of the Company.

ACKNOWLEDGEMENTS:

The Directors place on record their appreciation for the sincere and whole hearted co-operation extended by all concerned, particularly Company's Bankers, Financial Institutions, Asset Reconstruction Companies, Security Trustees, Stock Exchanges, Department of Tourism, Municipal authorities, the Government of Maharashtra, Goa and Odisha, the Central Government, Suppliers, Clientele and the employees of the Company and look forward to their continued support. The Directors also thank the shareholders for continuing their support and confidence in the Company and its management.

For and on behalf of Board of Directors
of KAMAT HOTELS (INDIA) LIMITED

Dr. Vithal V. Kamat
(DIN 00195341)
Executive Chairman and Managing Director

Place : Mumbai
Date : 5th August, 2019

KAMAT HOTELS (INDIA) LIMITED

ANNEXURE "A" TO THE BOARD'S REPORT

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

for the financial year ended on 31st March, 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: - L55101MH1986PLC039307

ii) Registration Date: - 21st March,1986

iii) Name of the Company: - Kamat Hotels (India) Limited

iv) Category / Sub-Category of the Company: - Company Limited by Shares

v) Address of the Registered office and contact details: - 70 – C, Nehru Road, Near Santacruz Airport, Vile Parle (East), Mumbai - 400099

vi) Whether listed Company: - Yes

vii) Name, Address and Contact details of Registrar and Transfer Agent: Link Intime India Private Limited, C-101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai-400083, Tel No.49186270 and Fax No. 49186060.

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	Hotels and Restaurants	99633102	99.07%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and Address of Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares	Applicable Section
1	Orchid Hotels Pune Private Limited Address: Ground Floor, KHIL House, 70-C, Nehru Road, Vile Parle (East), Mumbai–400099	U55101MH2007PTC170188	Subsidiary	100%	2(87)(ii) of the Companies Act, 2013
2	Mahodadhi Palace Private Limited Address: 70-C, Nehru Road, Vile Parle (East), Mumbai – 400099	U55101MH2010PTC201685	Subsidiary	100%	2(87)(ii) of the Companies Act, 2013
3	Kamats Restaurants (India) Private Limited Address: KHIL House, 70-C, Nehru Road, Vile Parle (East), Mumbai – 400099	U55204MH2011PTC215698	Subsidiary	100%	2(87)(ii) of the Companies Act, 2013
4	Fort Jadhav gadh Hotels Private Limited Address: KHIL House, 70- C, Nehru Road, Vile Parle (East), Mumbai – 400099	U55101MH2012PTC227175	Subsidiary	100%	2(87)(ii) of the Companies Act, 2013
5	Orchid Hotels Eastern (I) Private Limited (Formerly Green Dot Restaurants Private Limited). Address: KHIL House, 70-C, Nehru Road, Vile Parle (East), Mumbai – 400099	U55101MH2012PTC237229	Subsidiary	100%	2(87)(ii) of the Companies Act, 2013
6	Ilex Developers & Resorts Limited Address: 70-C, Nehru Road, Vile Parle (East), Mumbai – 400099	U70102MH2008PLC184194	Joint Venture	32.92%	Section 2(6) of the Companies Act, 2013

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

i) Category-wise Share Holding

Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2018				Shareholding at the end of the year - 2019				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	**Shareholding of Promoter and Promoter Group**									
[1]	**Indian**									
(a)	Individuals / Hindu Undivided Family	0	0	0	0'0.0	0	0	0	0.00	0.00
(b)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Any Other (Specify)									
	Persons Acting In Concert	33,68,238	0	33,68,238	14.28	33,68,238	0	33,68,238	14.28	0.00
	Bodies Corporate	1,09,93,722	0	1,09,93,722	46.61	1,09,93,722	0	1,09,93,722	46.61	0.00
	Sub Total (A)(1)	**1,43,61,960**	**0**	**1,43,61,960**	**60.90**	**1,43,61,960**	**0**	**1,43,61,960**	**60.90**	**0.00**
[2]	**Foreign**									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Government	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (Specify)									
	Sub Total (A)(2)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	**1,43,61,960**	**0**	**1,43,61,960**	**60.90**	**1,43,61,960**	**0**	**1,43,61,960**	**60.90**	**0.00**
(B)	**Public Shareholding**									
[1]	**Institutions**									
(a)	Mutual Funds / UTI	0	1,000	1,000	0.00	0	1,000	1,000	0.00	0.00
(b)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Alternate Investment Funds	0	0	0	0.0	0	0	0	0.00	0.00
(d)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Foreign Portfolio Investor	87,078	0	87,078	0.37	0	0	0	0.00	'-0.37
(f)	Financial Institutions / Banks	59,433	0	59,433	0.25	29,053	0	29,053	0.12	'-0.13
(g)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Provident Funds/ Pension Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Any Other (Specify)									
	Sub Total (B)(1)	**1,46,511**	**1,000**	**1,47,511**	**0.62**	**29,053**	**1,000**	**30,053**	**'0.13**	**-0.50**

Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2018				Shareholding at the end of the year - 2019				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
[2]	**Central Government/ State Government(s)/ President of India**									
	Sub Total (B)(2)	0	0	0	0.00	0	0	0	0.00	0.00
[3]	**Non-Institutions**									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh.	36,57,803	2,23,912	38,81,715	16.46	43,19,594	2,13,112	45,32,706	19.22	'2.76
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	20,29,424	0	20,29,424	8.60	23,45,165	0	23,45,165	'9.94	1.34
(b)	NBFCs registered with RBI	0	0	0	0.00	2,875	0	2,875	0.01	0.01
(c)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Any Other (Specify)									
	Hindu Undivided Family	4,09,758	0	4,09,758	1.74	4,29,546	0	4,29,546	1.82	0.084
	Foreign Companies	0	1,100	1,100	0.00	0	1,100	1,100	0.00	0.00
	Non Resident Indians (Non Repat)	36,613	74,800	1,11,413	0.47	76,808	73,200	1,50,008	0.64	0.16
	Non Resident Indians (Repat)	1,29,752	0	1,29,752	0.55	1,42,393	0	1,42,393	0.60	0.05
	Clearing Member	4,54,516	0	4,54,516	1.93	1,86,656	0	1,86,656	0.79	-1.13
	Bodies Corporate	20,43,809	13,100	20,56,909	8.72	13,88,496	13,100	14,01,596	5.94	-2.78
	Sub Total (B)(3)	**8,761,675**	**3,12,912**	**90,74,587**	**38.48**	**88,91,533**	**3,00,512**	**91,92,045**	**38.97**	**0.50**
	Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	**89,08,186**	**3,13,912**	**92,22,098**	**39.10**	**89,20,586**	**3,01,512**	**92,22,098**	**39.10**	**0.00**
	Total (A)+(B)	**2,32,70,146**	**3,13,912**	**2,35,84,058**	**100.00**	**2,32,82,546**	**3,01,512**	**2,35,84,058**	**100.00**	**0.00**
(C)	**Non Promoter - Non Public**									
[1]	Custodian/DR Holder	0	0	0	0.00	0	0	0	0.00	0.00
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.00	0	0	0	0.00	0.00
	Total (A)+(B)+(C)	**2,32,70,146**	**3,13,912**	**2,35,84,058**	**100.00**	**2,32,82,546**	**3,01,512**	**2,35,84,058**	**100.00**	

ii). Shareholding of Promoters

Sr No	Shareholder's Name	Shareholding at the beginning of the year - 2018			Shareholding at the end of the year - 2019			
		No. of Shares Held	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares Held	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	% change in shareholding during the year
1	Plaza Hotels Pvt Ltd	35,35,545	14.99	13.64	35,35,545	14.99	13.64	0.00
2	Vithal V Kamat	31,05,126	13.17	3.90	31,05,126	13.17	13.17	0.00
3	Indira Investments Private Limited	15,63,794	6.63	6.48	15,63,794	6.63	6.48	0.00
4	Kamat Holdings Private Limited	15,00,000	6.36	6.36	15,00,000	6.36	6.36	0.00
5	Nagpur Ecohotel Private Limited	10,00,000	4.24	0.00	10,00,000	4.24	4.24	0.00
6	Kamat Development Private Limited	8,39,272	3.56	3.56	8,39,272	3.56	3.56	0.00
7	Sangli Rubber Agro Private Limited	7,57,000	3.21	3.21	7,57,000	3.21	3.21	0.00
8	Vits Hotels (Bhubaneswar) Private Ltd	6,29,629	2.67	0.00	6,29,629	2.67	0.91	0.00
9	Kamats Holiday Resorts (Silvassa) Limited	2,76,439	1.17	1.17	2,76,439	1.17	1.17	0.00
10	Vishal Amusements Limited	2,58,897	1.10	0.97	2,58,897	1.10	0.97	0.00
11	Savarwadi Rubber Agro Private Limited	2,05,128	0.87	0.00	2,05,128	0.87	0.00	0.00
12	Kamats Super Snacks Private Limited	1,82,445	0.77	0.77	1,82,445	0.77	0.77	0.00
13	Vithal V. Kamat (HUF)	1,49,864	0.64	0.59	1,49,864	0.64	0.59	0.00
14	Kamats Eateries Private Limited*	1,19,245	0.51	0.49	1,19,245	0.51	0.49	0.00
15	Vidya Vithal Kamat	96,621	0.41	0.12	96,621	0.41	0.12	0.00
16	Karoke Amusements Private Limited*	80,877	0.34	0.34	80,877	0.34	0.34	0.00
17	Kamburger Foods Private Limited*	40,551	0.17	0.16	40,551	0.17	0.16	0.00
18	Vishal V Kamat	15,627	0.07	0.07	15,627	0.067	0.07	0.00
19	Kamats Club Private Limited*	4,900	0.02	0.02	4,900	0.02	0.02	0.00
20	Vidita V Kamat	500	0.00	0.00	500	0.00	0.00	0.00
21	Vikram V Kamat	500	0.00	0.00	500	0.00	0.00	0.00
	Total	**1,43,61,960**	**60.90**	**56.27**	**1,43,61,960**	**60.90**	**56.27**	**0.00**

Note:-*

1. Pursuant to order of NCLT dated 25th January, 2018, 9 companies i.e. Indira Investments Private Limited, Kamat Holdings Private Limited, Kamburger Foods Private Limited, Karaoke Amusements Private Limited, Kamats Club Private Limited, Kamats Eateries Private Limited, Kamats Super Snacks Private Limited, Nagpur Ecohotel Private Limited, VITS Hotels (Bhubaneswar) Private Limited (Collectively, the 'Transferor Companies') were amalgamated with Vishal Amusements Limited (Transferee Company/Resulting Company). Effect of the same is pending due to NOC from Lenders.
2. There has been no additional encumbarances or pledge created on the shares of Kamat Hotels (India) Limited pursuant to the said merger.
3. There has been no change in the overall shareholding of promoter group due to the said merger as shareholding of one promoter group is transferred in the other promoter group holding.

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

Sr. No.	Name & type of transaction	Shareholding at the beginning of the year 2018		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	1,43,61,960	60.90	1,43,61,960	60.90
	At the end of the year	1,43,61,960	60.90	1,43,61,960	60.90

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

Sr No.	Name & type of transaction	Shareholding at the beginning of the year – 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		No. of shares held	% of total shares of the Company	Date of transaction	No. of shares	No of Shares held	% of total shares of the Company
1	JM Financial Services Limited	2,71,823	1.15			2,71,823	1.15
	Sale			06 Apr 2018	(71,797)	2,00,026	0.85
	Purchase			13 Apr 2018	477	2,00,503	0.85
	Purchase			20 Apr 2018	2,329	2,02,832	0.86
	Sale			27 Apr 2018	(1,99,380)	3,452	0.01
	Purchase			04 May 2018	15,600	19,052	0.08
	Sale			11 May 2018	(16,364)	2,688	0.01
	Sale			18 May 2018	(2,632)	56	0.00
	Sale			25 May 2018	(25)	31	0.00
	Purchase			01 Jun 2018	251	282	0.00
	Purchase			08 Jun 2018	328	610	0.00
	Purchase			15 Jun 2018	2,390	3,000	0.01
	Sale			22 Jun 2018	(3,000)	-	0.00
	Purchase			20 Jul 2018	1,700	1,700	0.00
	Sale			27 Jul 2018	(500)	1,200	0.00
	Purchase			03 Aug 2018	301	1,501	0.00
	Purchase			10 Aug 2018	499	2,000	0.00
	Sale			17 Aug 2018	(200)	1,800	0.00
	Sale			24 Aug 2018	(1,000)	800	0.00
	Sale			31 Aug 2018	(12)	788	0.00
	Sale			07 Sep 2018	(700)	88	0.00
	Purchase			05 Oct 2018	19,962	20,050	0.08
	Sale			12 Oct 2018	(20,000)	50	0.00
	Purchase			19 Oct 2018	1,000	1,050	0.00
	Purchase			09 Nov 2018	280	1,330	0.00
	Sale			16 Nov 2018	(80)	1,250	0.00
	Sale			23 Nov 2018	(98)	1,152	0.00
	Purchase			30 Nov 2018	998	2,150	0.00
	Sale			07 Dec 2018	(1,100)	1,050	0.00
	Purchase			14 Dec 2018	70	1,120	0.00
	Purchase			21 Dec 2018	500	1,620	0.00
	Sale			28 Dec 2018	(195)	1,425	0.00
	Purchase			31 Dec 2018	1,025	2,450	0.01
	Sale			04 Jan 2019	(200)	2,250	0.00
	Sale			11 Jan 2019	(1,180)	1,070	0.00
	Purchase			25 Jan 2019	606	1,676	0.00
	Sale			01 Feb 2019	(214)	1,462	0.00
	Sale			08 Feb 2019	(312)	1,150	0.00
	Sale			15 Feb 2019	(100)	1,050	0.00
	Purchase			22 Feb 2019	10	1,060	0.00
	Purchase			08 Mar 2019	16,072	17,132	0.07
	Sale			15 Mar 2019	(12,082)	5,050	0.02
	Purchase			29 Mar 2019	1,95,000	2,00,050	0.85
	At the end of the year					2,00,050	0.85

Sr No.	Name & type of transaction	Shareholding at the beginning of the year – 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		No. of shares held	% of total shares of the Company	Date of transaction	No. of shares	No of Shares held	% of total shares of the Company
2	KIFS Trade Capital Private Limited	5,25,000	2.27			5,25,000	2.27
	Sale			06 Apr 2018	(5,25,000)	-	0.00
	Purchase			13 Apr 2018	16,696	16,696	0.07
	Purchase			27 Apr 2018	89	16,785	0.07
	Purchase			11 May 2018	14,129	30,914	0.13
	Sale			18 May 2018	(30,914)	-	0.00
	Purchase			01 Jun 2018	75,000	75,000	0.32
	Sale			06 Jul 2018	(75,000)	-	0.00
	Purchase			05 Oct 2018	76	76	0.00
	Sale			26 Oct 2018	(76)	-	0.00
	Purchase			09 Nov 2018	180	180	0.00
	Sale			16 Nov 2018	(180)	-	0.00
	At the end of the year					-	0.00
3	Stock Holding Corporation of India Ltd - A/C NSE Derivatives	1,84,445	0.78			184,445	0.78
	Purchase			27 Apr 2018	8,300	192,745	0.82
	Purchase			18 May 2018	13,500	206,245	0.87
	Sale			25 May 2018	(1,500)	204,745	0.87
	Purchase			01 Jun 2018	1,500	206,245	0.87
	Sale			08 Jun 2018	(2,000)	204,245	0.87
	Sale			30 Jun 2018	(6,249)	197,996	0.84
	Sale			13 Jul 2018	(8,500)	189,496	0.80
	Sale			27 Jul 2018	(300)	189,196	0.80
	Sale			17 Aug 2018	(2,700)	186,496	0.79
	Purchase			31 Aug 2018	2,000	188,496	0.80
	Purchase			07 Sep 2018	18,804	207,300	0.88
	Sale			29 Sep 2018	(10,000)	197,300	0.84
	Purchase			12 Oct 2018	5,500	202,800	0.86
	Sale			21 Dec 2018	(3,800)	199,000	0.84
	Purchase			18 Jan 2019	1,046	200,046	0.85
	Sale			25 Jan 2019	(7,069)	192,977	0.82
	Sale			01 Feb 2019	(21,444)	171,533	0.73
	Sale			08 Feb 2019	(282)	171,251	0.73
	Sale			15 Feb 2019	(500)	170,751	0.72
	Sale			22 Feb 2019	(19,000)	151,751	0.64
	Sale			29 Mar 2019	(147,751)	4,000	0.02
	At the end of the year					4,000	0.02
4	IL & FS Securities Services Limited	1,66,916	0.71			166,916	0.71
	Sale			06 Apr 2018	(200)	166,716	0.71
	Sale			13 Apr 2018	(6,796)	159,920	0.68
	Purchase			20 Apr 2018	776	160,696	0.68
	Purchase			27 Apr 2018	749	161,445	0.68
	Sale			04 May 2018	(400)	161,045	0.68
	Sale			11 May 2018	(13,654)	147,391	0.63
	Purchase			18 May 2018	605,914	753,305	3.19
	Sale			25 May 2018	(250)	753,055	3.19

Sr No.	Name & type of transaction	Shareholding at the beginning of the year – 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		No. of shares held	% of total shares of the Company	Date of transaction	No. of shares	No of Shares held	% of total shares of the Company
	Sale			01 Jun 2018	(275,000)	478,055	2.03
	Sale			08 Jun 2018	(327,600)	150,455	0.64
	Sale			15 Jun 2018	(100)	150,355	0.64
	Purchase			22 Jun 2018	232,903	383,258	1.63
	Sale			30 Jun 2018	(1,200)	382,058	1.62
	Sale			06 Jul 2018	(5,400)	376,658	1.60
	Sale			13 Jul 2018	(57)	376,601	1.60
	Purchase			20 Jul 2018	1,059	377,660	1.60
	Sale			27 Jul 2018	(269)	377,391	1.60
	Purchase			03 Aug 2018	450	377,841	1.60
	Sale			10 Aug 2018	(9,699)	368,142	1.56
	Purchase			17 Aug 2018	700	368,842	1.56
	Purchase			24 Aug 2018	201	369,043	1.56
	Sale			31 Aug 2018	(296)	368,747	1.56
	Purchase			07 Sep 2018	24,765	393,512	1.67
	Purchase			14 Sep 2018	386,693	780,205	3.31
	Sale			21 Sep 2018	(640,205)	140,000	0.59
	Purchase			29 Sep 2018	43	140,043	0.59
	Purchase			05 Oct 2018	820	140,863	0.60
	Sale			12 Oct 2018	(2,086)	138,777	0.59
	Purchase			19 Oct 2018	362,800	501,577	2.13
	Sale			26 Oct 2018	(236,732)	264,845	1.12
	Sale			02 Nov 2018	(65,070)	199,775	0.85
	Sale			09 Nov 2018	(52,503)	147,272	0.62
	Sale			16 Nov 2018	(29,712)	117,560	0.50
	Purchase			23 Nov 2018	83	117,643	0.50
	Sale			30 Nov 2018	(5,103)	112,540	0.48
	Purchase			07 Dec 2018	283	112,823	0.48
	Sale			14 Dec 2018	(531)	112,292	0.48
	Sale			21 Dec 2018	(98)	112,194	0.48
	Purchase			28 Dec 2018	63	112,257	0.48
	Purchase			31 Dec 2018	756	113,013	0.48
	Sale			04 Jan 2019	(3,125)	109,888	0.47
	Purchase			11 Jan 2019	125	110,013	0.47
	Purchase			18 Jan 2019	3,647	113,660	0.48
	Sale			25 Jan 2019	(39,454)	74,206	0.31
	Purchase			01 Feb 2019	5,585	79,791	0.34
	Sale			08 Feb 2019	(938)	78,853	0.33
	Purchase			15 Feb 2019	9,723	88,576	0.38
	Sale			22 Feb 2019	(1,000)	87,576	0.37
	Purchase			01 Mar 2019	2,020	89,596	0.38
	Sale			08 Mar 2019	(14,212)	75,384	0.32
	Sale			15 Mar 2019	(1,999)	73,385	0.31
	Purchase			22 Mar 2019	3,892	77,277	0.33
	Sale			29 Mar 2019	(19,845)	57,432	0.24
	At the end of the year					57,432	0.24

Sr No.	Name & type of transaction	Shareholding at the beginning of the year – 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		No. of shares held	% of total shares of the Company	Date of transaction	No. of shares	No of Shares held	% of total shares of the Company
5	Pawan Aggarwal	1,17,969	0.50			117,969	0.50
	Sale			20 Apr 2018	(2,969)	115,000	0.49
	Sale			08 Jun 2018	(2,000)	113,000	0.48
	Purchase			16 Nov 2018	2,000	115,000	0.49
	At the end of the year					115,000	0.49
6	Status Capitals Pvt Ltd	98,973	0.42			98,973	0.42
	Purchase			08 Jun 2018	10,000	108,973	0.46
	Purchase			06 Jul 2018	10,000	118,973	0.50
	At the end of the year					118,973	0.50
7	Praveen Arora	80,000	0.34			80,000	0.34
	Sale			06 Apr 2018	(80,000)	-	0.00
	Purchase			30 Jun 2018	30,000	30,000	0.13
	Sale			13 Jul 2018	(30,000)	-	0.00
	Purchase			21 Sep 2018	84,000	84,000	0.36
	At the end of the year					84,000	0.36
8	Edelweiss Custodial Services Ltd	1,90,321	0.81			190,321	0.81
	Sale			06 Apr 2018	(14,970)	175,351	0.74
	Sale			13 Apr 2018	(7,555)	167,796	0.71
	Sale			20 Apr 2018	(12,166)	155,630	0.66
	Purchase			27 Apr 2018	11,191	166,821	0.71
	Sale			04 May 2018	(6,306)	160,515	0.68
	Purchase			11 May 2018	5,310	165,825	0.70
	Purchase			18 May 2018	14,940	180,765	0.77
	Sale			25 May 2018	(53,686)	127,079	0.54
	Sale			01 Jun 2018	(9,271)	117,808	0.50
	Purchase			08 Jun 2018	757	118,565	0.50
	Sale			15 Jun 2018	(425)	118,140	0.50
	Purchase			22 Jun 2018	374	118,514	0.50
	Purchase			30 Jun 2018	343	118,857	0.50
	Purchase			06 Jul 2018	5,050	123,907	0.53
	Purchase			13 Jul 2018	100	124,007	0.53
	Purchase			20 Jul 2018	10,350	134,357	0.57
	Purchase			27 Jul 2018	205	134,562	0.57
	Purchase			03 Aug 2018	365	134,927	0.57
	Purchase			10 Aug 2018	4,000	138,927	0.59
	Purchase			17 Aug 2018	50	138,977	0.59
	Sale			24 Aug 2018	(6,855)	132,122	0.56
	Purchase			31 Aug 2018	1,025	133,147	0.56
	Sale			07 Sep 2018	(2,940)	130,207	0.55
	Sale			14 Sep 2018	(1,050)	129,157	0.55
	Purchase			21 Sep 2018	17,515	146,672	0.62
	Sale			29 Sep 2018	(3,875)	142,797	0.61
	Sale			05 Oct 2018	(1,596)	141,201	0.60
	Sale			12 Oct 2018	(4,800)	136,401	0.58
	Sale			19 Oct 2018	(98,560)	37,841	0.16
	Purchase			26 Oct 2018	3,417	41,258	0.17
	Purchase			02 Nov 2018	5,005	46,263	0.20

Sr No.	Name & type of transaction	Shareholding at the beginning of the year – 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		No. of shares held	% of total shares of the Company	Date of transaction	No. of shares	No of Shares held	% of total shares of the Company
	Purchase			09 Nov 2018	2,218	48,481	0.21
	Purchase			16 Nov 2018	5,650	54,131	0.23
	Sale			23 Nov 2018	(25,568)	28,563	0.12
	Sale			30 Nov 2018	(530)	28,033	0.12
	Purchase			07 Dec 2018	3,040	31,073	0.13
	Sale			14 Dec 2018	(2,080)	28,993	0.12
	Sale			21 Dec 2018	(590)	28,403	0.12
	Sale			28 Dec 2018	(713)	27,690	0.12
	Purchase			04 Jan 2019	1,950	29,640	0.13
	Sale			11 Jan 2019	(1,135)	28,505	0.12
	Purchase			18 Jan 2019	350	28,855	0.12
	Sale			25 Jan 2019	(50)	28,805	0.12
	Purchase			01 Feb 2019	7,840	36,645	0.16
	Purchase			08 Feb 2019	4,010	40,655	0.17
	Sale			15 Feb 2019	(3,971)	36,684	0.16
	Purchase			22 Feb 2019	163	36,847	0.16
	Sale			01 Mar 2019	(3,024)	33,823	0.14
	Sale			08 Mar 2019	(302)	33,521	0.14
	Sale			15 Mar 2019	(1,175)	32,346	0.14
	Purchase			22 Mar 2019	1,130	33,476	0.14
	Purchase			29 Mar 2019	4,667	38,143	0.16
	Sale			30 Mar 2019	(1,200)	36,943	0.16
	At the end of the year					36,943	0.16
9	GEPL Capital Pvt. Ltd.-Colateral A/C	15,500	0.07			15,500	0.07
	Sale			06 Apr 2018	(475)	15,025	0.06
	Purchase			13 Apr 2018	1,825	16,850	0.07
	Sale			20 Apr 2018	(1,850)	15,000	0.06
	Sale			27 Apr 2018	(1,500)	13,500	0.06
	Purchase			04 May 2018	2,300	15,800	0.07
	Purchase			18 May 2018	(13,500)	2,300	0.01
	Purchase			25 May 2018	3,540	5,840	0.02
	Sale			01 Jun 2018	(1,690)	4,150	0.02
	Purchase			15 Jun 2018	190	4,340	0.02
	Purchase			22 Jun 2018	10	4,350	0.02
	Sale			30 Jun 2018	(172)	4,178	0.02
	Purchase			13 Jul 2018	4,500	8,678	0.04
	Sale			20 Jul 2018	(28)	8,650	0.04
	Purchase			27 Jul 2018	1,000	9,650	0.04
	Sale			17 Aug 2018	(375)	9,275	0.04
	Purchase			24 Aug 2018	3,013	12,288	0.05
	Purchase			31 Aug 2018	3,089	15,377	0.07
	Sale			07 Sep 2018	(6,325)	9,052	0.04
	Purchase			14 Sep 2018	1,196	10,248	0.04
	Purchase			21 Sep 2018	2,118	12,366	0.05
	Sale			29 Sep 2018	(2,948)	9,418	0.04
	Purchase			05 Oct 2018	2,190	11,608	0.05
	Sale			12 Oct 2018	(9,369)	2,239	0.01

Sr No.	Name & type of transaction	Shareholding at the beginning of the year – 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		No. of shares held	% of total shares of the Company	Date of transaction	No. of shares	No of Shares held	% of total shares of the Company
	Sale			19 Oct 2018	(1,239)	1,000	0.00
	Purchase			26 Oct 2018	1,239	2,239	0.01
	Sale			02 Nov 2018	(39)	2,200	0.01
	Purchase			09 Nov 2018	50	2,250	0.01
	Purchase			30 Nov 2018	5,025	7,275	0.03
	Sale			07 Dec 2018	(3,080)	4,195	0.02
	Sale			14 Dec 2018	(45)	4,150	0.02
	Sale			21 Dec 2018	(2,050)	2,100	0.01
	Purchase			28 Dec 2018	750	2,850	0.01
	Sale			31 Dec 2018	(700)	2,150	0.01
	Purchase			04 Jan 2019	100	2,250	0.01
	Purchase			01 Feb 2019	2,000	4,250	0.02
	Sale			08 Feb 2019	(2,000)	2,250	0.01
	Sale			15 Feb 2019	(2,209)	41	0.00
	Purchase			01 Mar 2019	959	1,000	0.00
	Purchase			15 Mar 2019	8,200	9,200	0.04
	Sale			22 Mar 2019	(7,180)	2,020	0.01
	Purchase			29 Mar 2019	1,50,467	1,52,487	0.65
	At the end of the year					1,52,487	0.65
10	Jaideep Sampat	60,000	0.25			60,000	0.25
	Purchase			06 Apr 2018	71,003	1,31,003	0.55
	At the end of the year					1,31,003	0.55

V. SHAREHOLDING DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Dr. Vithal V. Kamat (at the beginning of the year)	32,54,990	13.80	32,54,990	13.80
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc	Nil	Nil	Nil	Nil
	Dr. Vithal V. Kamat (at the end of the year)	32,54,990	13.80	32,54,990	13.80

Note : None of the other Directors and Key Managerial Personnel held any shares in the Company during the FinancialYear 2018-19.

VI. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ In lakhs)

	Secured Loans	Unsecured Loans	Deposits	Total
Indebtedness at the beginning of the Financial Year				
Principal Amount	34,153.79	2,666.48	-	36,820.27
Interest Due but not paid	21.53	120.68	-	142.21
Interest Accrued but not due	-	-	-	-
Change in Indebtedness during the Financial Year				

	Secured Loans	Unsecured Loans	Deposits	Total
Addition (Principal)	1,800.00	434.86	-	2,234.86
Addition (Interest)	66.15	94.55	-	160.70
Reduction (Principal)	6,310.29	780.87	-	7,091.16
Reduction (Interest)	21.53	76.20	-	97.73
Reduction (Interest Accrued not due)	11.93	-	-	11.93
Indebtedness at the end of the Financial Year:				
Principal Amount	29,643.50	2,320.47	-	31,963.97
Interest Due but not paid	66.15	139.03	-	205.18
Interest Accrued but not due	11.93	-	-	11.93

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

Total Amount in ₹

Sr. No.	Particulars of Remuneration		Name of MD/WTD/ Manager Dr. Vithal V. Kamat (Executive Chairman and Managing Director)
1.	(a)	Gross salary	
	(b)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	96,00,000
	(c)	Value of perquisites u/s 17(2) Income-tax Act, 1961	66,620
	(d)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL
2	Stock Option		NIL
3	Sweat Equity		NIL
4	Commission - as % of Profit - other, specify		NIL
5	Others, please specify		NIL
		Total (A)	96,66,620
		Ceiling as per the Act*	N.A.

Note: Excluding Provident Fund and Medical reimbursement.

* Paid within the Ceiling specified under Section 197 of the Companies Act, 2013.

B. Remuneration to other directors:

Sr No	Particulars of remuneration	Name of Directors				Amount in ₹
		Mr. D. D. Jadhav	Ms.Himali H.Mehta	Mr. S. S.Thakur	Mr. Bipinchandra C. Kamdar	
1	Fees for attending Board Meetings	1,25,000	1,25,000	1,25,000	1,25,000	5,00,000
	Commission	NIL	NIL	NIL	NIL	NIL
2	Fees for attending other Committee Meetings	90,000	80,000	80,000	90,000	3,40,000
	Total	**2,15,000**	**2,05,000**	**2,05,000**	**2,15,000**	**8,40,000**
	Total Managerial Remuneration	NIL	NIL	NIL	NIL	**96,00,000#**
	Overall ceiling as per Act	NIL	NIL	NIL	NIL	

Note: Independent Directors were paid sitting fees for attending the Meeting of the Board during the Financial Year 2018-19, which were within the limits prescribed under the Companies Act, 2013.

\# excluding sitting fees.

C. **Remuneration to Key Managerial Personnel other than Managing Director, Whole-time Directors and/or Manager:**

(₹ in lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel	
		Mrs. Smita Nanda Chief Financial Officer	Mr. Amit Vyas Company Secretary
(a)	Gross salary Salary as per provisions contained in section 17(1)of the Income-tax Act, 1961	26,41,040	18,35,768
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
	Stock Option	-	-
	Sweat Equity	-	-
	Commission - as % of Profit - other, specify	-	-
	Total	**26,41,040**	**18,35,768**

VIII. **PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES against the Company, Directors and other Officers in default under the Companies Act, 2013 :** None

By Order of the Board of Directors
of KAMAT HOTELS (INDIA) LIMITED

Dr. Vithal V. Kamat
DIN 00195341
Executive Chairman and Managing Director

Place: Mumbai
Date: 5th August, 2019

ANNEXURE “B” TO THE BOARD’S REPORT

NOMINATION AND REMUNERATION POLICY

In pursuance of the Company’s policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the Listing Regulations as amended from time to time, this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee and approved by the Board of Directors.

Objective and purpose of the Policy:

The objective and purpose of this policy are:

- o To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- o To determine remuneration based on the Company’s size and financial position and trends and practices on remuneration prevailing in peer companies, in the hotel industry.
- o To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- o To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company’s operations.
- o To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

In the context of the aforesaid criteria the following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on 22nd March, 2014 and subsequently amended on 7th November, 2015.

Effective date:

This policy shall be effective from 1st April, 2014.

Constitution of the Nomination and Remuneration Committee:

The Board has changed the nomenclature of Remuneration Committee constituted on 31st January, 2001 by renaming it as Nomination and Remuneration Committee on 8th February, 2014 and modified by the Board of Directors at its meetings held on 22nd March, 2014 and 9th August,2014. The Nomination and Remuneration Committee comprises of the following Directors:

Sr. No.	Name	Position
1	Mr. Dinkar D. Jadhav	Chairman: Non Executive Independent Director
2	Mr. Bipinchandra C. Kamdar	Member : Non Executive Non Independent Director
3	Mrs. Himali H. Mehta	Member: Non Executive Independent Director
4	Mr. Ramnath P. Sarang*	Member: Non Executive Independent Director

* Appointed w.e.f 27th May, 2019.

The Board has the power to reconstitute the Committee consistent with the Company’s policy and applicable statutory requirement.

- **Definitions**
- **Board** means Board of Directors of the Company.
- **Directors** mean Directors of the Company.
- **Committee** means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- **Company** means Kamat Hotels (India) Limited.
- **Independent Director** means a director referred to in Section 149 (6) of the Companies Act, 2013.
- **Key Managerial Personnel** (KMP) means-
  - (i) Executive Chairman and / or Managing Director; (ii) Whole-time Director;
  - (iii) Chief Financial Officer;
  - (iv) Company Secretary;
  - (v) Such other officer as may be prescribed under the applicable statutory provisions / regulations.
- “Senior Management” shall mean officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case chief executive officer /manager not part of the board) and shall specifically include company secretary and chief financial officer: Provided that administrative staff shall not be included.

  Senior management shall be abide by code of conduct and affirm compliance and shall disclose to the Board of Directors all material, financial and commercial transaction, where they have personal interest.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

Applicability

The Policy is applicable to

- Directors (Executive and Non Executive)
- Key Managerial Personnel
- Senior Management Personnel

General

- This Policy is divided in three parts: Part – A covers the matters to be dealt with and recommended by the Committee to the Board, Part – B covers the appointment and nomination and Part – C covers remuneration and perquisites etc.
- The key features of this Company's policy shall be included in the Board's Report.

PART-A

MATTERS TO BE DEALT WITH, PURSUED AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.
- Recommend to the Board all remuneration, in whatever form, payable to Senior Management

PART – B

POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

- **Appointment criteria and qualifications:**

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
3. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

- **Term / Tenure:**

1. Managing Director/Whole-time Director:
    - The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
2. Independent Director
    - An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
    - No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1st October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.
    - At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to eight listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

Evaluation:

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

- **Removal:**

  Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made hereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

- **Retirement:**

  The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

PART – C

POLICY RELATING TO THE REMUNERATION FOR THE WHOLE-TIME DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL

- **General:**

  1. The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
  2. The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013, and the rules made there under.
  3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director. Increments will be effective from 1st October in respect of a Executive Chairman and Managing Director and 1st April in respect of other employees of the Company.
  4. Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

  Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

  1. Fixed pay:

     The Whole-time Director / KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.
  2. Minimum Remuneration:

     If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.
  3. Provisions for excess remuneration:

     If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

Remuneration to Non- Executive / Independent Director:

1. Remuneration / Commission:

   The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made there under.
2. Sitting Fees:

   The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed one lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.
3. Commission:

   Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.
4. Stock Options:

   An Independent Director shall not be entitled to any stock option of the Company.

"ANNEXURE C" TO THE BOARD'S REPORT

FORM NO. AOC- 2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

(Pursuant to clause (h) of sub-section (3)of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of material contracts or arrangement or transactions at arm's length basis

There were no material contracts or arrangement or transactions entered in to during the year ended 31st March, 2019, which were not arm's length basis

2. Details of contracts or arrangements or transactions not at arm's length basis

(a) Name(s) of the related party and nature of relationship: Dr. Vithal V. Kamat: Executive Chairman and Managing Director- Promoter

(b) Nature of contracts/arrangements/transactions : Pledge of shares

(c) Duration of the contracts/arrangements/transactions: N.A.

(d) Salient terms of the contracts or arrangements or transactions including the value, if any: NIL

(e) Justification for entering into such contracts or arrangements or transactions: The Company had availed loan from Financial Institution/ Bank against which Dr. Kamat had pledge its shares held in the Company to Financial Institution/Banks /Bodies Corporate for securing the term loan/Rupee Loan.

(f) date(s) of approval by the Board/Executive Committee : 5th February, 2019

(g) Amount paid as advances, if any: NIL

(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: This transaction is not covered under Section 188 but same is however covered under Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 under regulation 23(1).

ANNEXURE "D" TO THE BOARD'S REPORT FORM NO MR - 3

SECRETARIAL AUDIT REPORT

For the Financial year ended 31st March, 2019

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

To,
The Members,
Kamat Hotels (India) Limited.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Kamat Hotels (India) Limited (hereinafter called the Company). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion the company had during the audit period covering the financial year ended on 31st March 2019 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 :

1. We have examined the books papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2019 according to the provisions of :

    i) The Companies Act, 2013 (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 Byelaws framed there under;

    iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; Not Applicable ;

    v) The following regulation guidelines prescribed under Securities and Exchange Board of India Act, 1992, (SEBI Act) viz:-

        a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

        b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

        c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

        d) The Securities and Exchange Board of India (Share Based Employee Benefits), Regulations 2014;

        e) The Securities and Exchange Board of India (Issue of Listing of Debt Securities) Regulations, 2008;

        f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations 1993 regarding the Companies Act, and dealing with client;

        g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and (Not applicable during the Audit period)

        h) The Securities and Exchange Board of India (Buyback of Securities) Regulations 1998. (Not applicable during the Audit period)

    vi) Applicable Laws for Restaurant and Hotel, Public Licenses Permissions/Licenses from various Local Authorities, Government and Government Bodies,

        1) The Companies Act, 2013 (the Act) and the rules made there under;

        2) Secretarial Standards issued by The Institute of Company Secretaries of India;

        3) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

        4) The Securities Contracts (Regulation) Act, 1956 and the rules made there under;

        5) The Securities and Exchange Board of India Act, 1992

        6) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

        7) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

        8) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009

        9) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 201410) 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

10) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009

11) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under

12) The Indian Stamp Act, 1899

2. Acts, Rules, Regulation relating to Accounts and Taxation Department:

1) Income Tax Act, 1961 & Rules

2) Finance Act, 1994

3) Bombay Prohibition Act, 1949 (for state excise)

4) Goods and Services Tax (GST)

5) Ind AS (Indian Accounting Standard)

6) Profession Tax Act of states

7) Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975 and 2000

8) Maharashtra Value Added Tax Act, 2002

9) Maharashtra Municipal Corporation Act, 1949

10) Accounting Standards as specified under section 133 of the Companies Act, 2013 read with Rule 7 the Companies (Accounts) Rules 2014, Accounting Standard Interpretation (ASI) issued by ICAI, Guidance Notes issued by ICAI, Auditing Standards

11) CBDT, VAT, CBEC Circulars

3. Acts, Rules, Regulation relating to Human Resource Department:

1) The Minimum Wages Act, 1948

2) The Equal Remuneration Act, 1976

3) The Payment of Wages Act, 1936

4) The Industrial Employment (Standing Orders) Act, 1946

5) The Employees' State Insurance Act, 1948

6) The Employees Provident Fund and miscellaneous provisions Act, 1952

7) The Industrial Disputes Act, 1947

8) The Payment of Gratuity Act, 1972.

9) The Contract Labour (Regulation and Abolition) Act, 1970

10) The Employment Exchanges(Compulsory Notification Of Vacancies) Act, 1959

11) The Trade Unions Act, 1926

12) The Maharashtra Recognition of Trade Unions & Prevention of Unfair Labour Practices Act, 1971

13) The Child Labour (Prohibition And Regulation) Act, 1986 And Rules

14) The Bombay Labour Welfare Fund Act, 1953

15) The Payment of Bonus Act, 1965

16) The Maharashtra Workmen's Minimum House-Rent Allowance Act, 1983

17) The Workmen's' Compensation Act, 1923

18) The Apprentice Act, 1973

19) The Maternity Benefit Act, 1961

4. Acts, Rules, Regulation relating to Restaurant Division:

   1) Bombay Police Act, 1951
   2) The Water (Prevention & Control of Pollution) Act, 1974
   3) The Air (Prevention & Control of Pollution) Act, 1981
   4) The Environment (Protection) Act, 1986
   5) Food Safety and Standards Act, 2006

5. Acts, Rules, Regulation relating to Legal Department:

Sr. No.	Name of the Acts/rules/regulations	Details of Compliances
1)	Bombay Shops & Establishments Act, 1948	-
2)	The Mumbai Municipal Corporation Act, 1888	• Section 394 for i) Restaurant, ii) Lodging, iii)Gradation • Section 328 for Neon Sign • Section 279 for Water supply • Sections 206 etc for Property Tax • Covering of Terrace in Monsoon for specific period under • Development Control Rules, 1991 • Water Fountain permission • Swimming Pool • Testing of water
3)	Police Licenses	• Place of Public Entertainment License(PPEL) • Bombay Police Act, 1951 • Place of Licensing & Controlling for Amusement, Public • Amusement Act (including Tamasha and Melas excluding Cinemas) 1960
4)	Rangabhumi Prayog Parinirikshak Board, Government of Maharashtra	• For playing music inside the premises Section 138(1) of Place of Amusement and Controlling Act, 1960
5)	Bombay Prohibition Act, 1949	• FL III License, Fl IV License (One day License)
6)	Maharashtra Fire Prevention and Life Safety Measures Act, 2006	-
7)	Food Safety & Standard Authority of India (FSSAI) (Earlier Prevention of Food Adulteration Act, 1954)	-
8)	Standard of Weights and Measures Act, 1976	• Stamping of Peg Measure
9)	Copy Right Acts, 1957	• Indian Performing Right Society(IPRS) for playing Live music of owners of music viz the composers, lyricists, authors and publishers of music Phonographic Performance License(PPL) for Sound Recordings of its ember music labels. Novex Communication for members other than in a) & b) for sound recordings as well as owners • Cable TV • From all existing TV Broadcasters
10)	Cable Television Network (Regulation) Act, 1995	-
11)	Maharashtra Land Revenue Code, 1966	• Payment of Non Agricultural Tax every year .
12)	Bombay Entertainments Duty Act, 1923	• For faithful compliance/deposit for showing TV channels in hotels • For deposit of taxes for any type of entertainment program while serving liquor
13)	Maharashtra Pollution Control Board (MPCB)	• Consent to Operate under Water Act, 1974 & under Air ct, 1981 • Environmental Statement Report under Environment Protection) Act, 1992
14)	The Water (Prevention & Control of Pollution) Cess Act,1977	Payment of cess quarterly as demanded by MPCB
15)	Bombay Electricity Duty Act, 1958	• Payment of duty quarterly for generation of electricity by DG • Faithful compliances of Electrical Installation prior to • annual inspection by Electrical Inspector from Public Works • Department • Testing of all electrical fittings including lights inside the • swimming pool
16)	The Bombay Lift Act, 1939 with Bombay Lift Rules, 1958	• Faithful compliances of Lifts Installation prior to annual inspection by Electrical Inspector from Public Works Department
17)	The Sexual Harassment of Women at Workplace. (Prevention, Prohibition and Redressal) Act, 2013	-

During the year, the Company had sufficient profit for payment of remuneration to Executive Chairman and Managing Director.

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

i) Secretarial Standards issued by the Institute of Company Secretaries of India.

ii) The Listing Regulations entered into by the company with the stock exchange regulations, guidelines, standard etc mentioned above subject to the following observations.

During the under review the company has complied with the provisions of the Act, rules, regulations, guidelines, standards etc. as mentioned above.

We further report that:

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 composition of the board of directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the board meeting and agenda and detailed notes on agenda were sent at least seven days in advance and system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for the meaningful participation at the meeting.

Majority decision is carried through while the dissenting members views are captured and recorded as part of the minutes.

We 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.

FOR V. V. CHAKRADEO & CO
COMPANY SECRETARIES

Place: Mumbai
Date: 27th May, 2019

V. V. Chakradeo
COP 1705. FCS 3382

To
The Members,
Kamat Hotels (India) Limited

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

1. Maintenance of secretarial record is responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about correctness of the contents of the secretarial record. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. I believe that the practices and processes, I followed provide a reasonable basis for our opinion.

3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

4. Wherever required, I obtained management representation about the compliance of laws, rules, regulations, norms and standards and happening of events.

5. The compliance of the provisions of the Corporate and other laws, rules, regulations, norms and standards is the responsibility of the management. My examination was limited to the verification of procedure on test basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

FOR V V CHAKRADEO & CO COMPANY SECRETARIES

V V CHAKRADEO
COP 1705. FCS 3382

Place: Mumbai
Date: 27th May, 2019

ANNEXURE “E” TO THE BOARD’S REPORT

DETAILS AS PER SECTION 197(12) READ WITH RULE 5(1) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 FOR THE YEAR ENDED 31ST MARCH 2019.

A) Remuneration to Directors and Key Managerial Personnel

i. The percentage increase in remuneration of Chairman, Managing Director, Chief Financial Officer and Company Secretary during the financial year 2018-19 is as under:

Sr. No.	Name of KMP	Designation	% increase in Remuneration during FY 2019
1	Dr. Vithal V. Kamat	Executive Chairman and Managing Director	N.A
2	Mrs. Smita Nanda	Chief Financial Officer	13.93% #
3	Mr. Amit Vyas	Company Secretary & Compliance Officer	14.10%*
4	Mr. Shailesh Bhaskar	Company Secretary & Compliance Officer	N. A.**

Appointed as Chief Financial Officer (CFO) w.e.f 26th May, 2017
*Resigned as Company Secretary and Compliance Officer W.e.f 13th May, 2019.
** Appointed as Company Secretary and Compliance Officer W.e.f 27th May, 2019

Notes:

Ratio of remuneration of each Director to median remuneration of employees – Independent Directors and Non- Executive Director do not receive any remuneration other than sitting fees for attending Board and Committee Meetings. Details of sitting fees paid to Independent Directors are given in the Report on Corporate Governance forming part of the Annual Report and hence, are not included in the above table. The Non-Independent Director receives only sitting fees not any other remuneration. Therefore, providing details relating to ratio of remuneration of each Director to median remuneration of employees would not be meaningful.

ii. There were 1,082 permanent employees on the rolls of the Company during FY 2019. The median remuneration of employees of the Company during FY 2019 was Rs. 2,16,900/- The median remuneration of employees during FY 2019 has increased by 9.97% as compared to the previous financial year.

iii. Average percentage increase made in the remuneration of employees other than the managerial personnel in the last financial year i.e. FY 2019 was 10.01%.

iv. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

ANNEXURE "F" TO THE BOARD'S REPORT ANNUAL REPORT ON CSR ACTIVITIES

1. **Corporate Social Responsibility (CSR) policy and its web link, projects proposed to be undertaken:**

   The CSR policy was recommended by the CSR Committee and adopted by the Board of Directors of the Company held on 22nd March, 2014. The CSR policy can be accessed on the website of the Company www.khil.com and the web link is http://www.khil.com/investors/policies.html

2. **Composition of CSR Committee:**

   At the meeting of the Board of Directors of the Company held on 22nd March, 2014 the CSR Committee was constituted. At present, the following is the composition of CSR Committee:

   i. Mr. Dinkar D. Jadhav

   ii. Mr. Bipinchandra C. Kamdar

   iii. Mrs. Himali H. Mehta

   iv. Mr. Ramnath P. Sarang

3. Average net profit for the last three financial years: ₹ 1,938.67 lakhs

4. The prescribed expenditure on CSR : as under

5. Details of CSR spent during the financial year: ₹ 40.28 lakhs

   Amount required to be spent for FY 2018-19: ₹ 38.77 lakhs

   Amount unspent, if any: N.A

   The Company has voluntarily incurred CSR expenditure in the following manner:

   BRIEF DETAILS OF CSR ACTIVITIES, AREA OF ACTIVITIES AND EXPENSES INCURRED:

Amount in ₹

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S.No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub- Heads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto to the reporting period.	Amount spent: Direct or through implementing agency
1	Blood donation camp& World Health Day	Health and medical	The Orchid, Mumbai	7,000	6,500	6,500	Direct
2	Earth Day& Water Day& World Tourism Day	Environmental awareness among staff and society	The Orchid, Mumbai, Vits Mumbai & Mahodadhi Puri.	2,000	1,375	1,375	Direct
3	Environment Day	Environmental awareness among staff and society	Say no to plastic Activity in Orchid, Cleaning drive Fort Jadhav Gadh & Cycle Rally in Mahodadhi Puri.	15,000	14,632	14,632	Direct
4	International Recycle Day	Environment Awareness	Visit to Sundara Soap Recycling NGO.	3,000	3,000	3,000	Direct
5	Soil Day- Gifted Vermicompost to our Geust& explained importance of plantation.	Plantation	The Orchid, Mumbai	1,000	978	978	Direct
6	Beach cleaning drive	Beaches, Marine Ecology and social awareness	The Orchid, Vits, Lotus Murud, Fort Jadhav-Gadh, MahodadhiPuri	2,00,000	1,87,730	1,87,730	Direct

Amount in ₹

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S.No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub- Heads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto to the reporting period.	Amount spent: Direct or through implementing agency
7	Bird conservation- Sparrow lane is createdattheHotel. Bird feeders are installed in gardens across the city	Wild life conservation	The Orchid, Mumbai	1,50,000	1,16,008	1,16,008	Direct
8	Beautification of gardens in Mumbai	Mahim, Belapur, Navi-mumbai, Babulnath, Mumbai	The Orchid &Vits Mumbai	10,00,000	93,0434	93,0434	Direct
9	Awarness program for bring Ecofriendly Ganesha at home (gifted EcofriendlyGanesha to all guests for spreadingconcept of Eco-friendlyGanesha)	Plantation	The Orchid, Vits Mumbai, Fort Jadhav Gadh, Lotus Konark, MahodadhiPuri.	25,72,825	25,72,825	25,72,825	Direct
10	Plantation done in Fort Jadhavgadh, Pune	Plantation	Panchayat Hall, Pune	1,00,000	90,450	90,450	Direct
11	Vermicomposting Area Renovation & Internal Clean-up Drive.	Plantation	The Orchid, Mumbai	20,000	18,990	18,990	Direct
12	Tree Ganesha (Ecofriendly Ganesha celebration**)**	Environment Awareness	The Orchid & Vits Mumbai	10,000	10,266	10,266	Direct
13	Womans Day Celebration Celebration		The Orchid, Mumbai	75,000	68,315	68,315	Direct
14	Cyclothone for the cause of 'Ban on Plastic.	Environment Awareness	Konark & Puri, Odisha.	7,500	6,414	6,414	Direct
			Total	41,63,325	40,27,917	40,27,917	

6. Reason for not spending amount: N.A

7. The CSR Committee states that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.

Place: Mumbai
Date : 5th August, 2019

Dinkar D. Jadhav
Chairman of CSR Committee
DIN 01809881

Bipinchandra C. Kamdar
Member - CSR Committee
DIN 01972386

Ramnath P. Sarang
Member - CSR Committee
DIN 02544807

ANNEXURE "G" TO THE BOARD'S REPORT MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND OUTLOOK

COMPANY'S INFORMATION

Kamat Hotels (India) Limited ('KHIL') was incorporated on 21st March, 1986 with the main object of setting up and running of hotels and related business. KHIL is into many hospitality ventures other then hotels and restaurant such as clubs resorts, Heritage hotels and much more across India. KHIL is also into Hotel Consultancy, setups and other such related activities. KHIL's most globally recognized brand is "THE ORCHID", An Ecotel Hotel, Asia's First chain of 5 star environmentally sensitive hotel which has won over 97 International & National awards. The Orchid is in Mumbai and Pune. The Company's properties provide all the modern amenities to the travelers which make it one pack deal for them. All the hotels of the company are distinctly designed to resemble the nomenclature of the hotel.

INDIAN ECONOMY

India's economy will most likely be powered by private consumption, investments and exports in future. Softer interest rates, improving farm realizations and higher disposable incomes will enable this metric.

Overall investments rebounded in FY 2018-19 with fixed investments growing 12.2%, up from 7.6% in FY 2017-18. Moreover, the investment ratio (investment/GDP) is estimated to have surged to 32.9% after being range bound at 30-31% in the past four to five years.

India's exports grew at a healthy pace in FY 2018-19, albeit on a low base. The primary factors propelling India's exports during the year under review were the easing constraints posed by Goods and Services Tax (GST) implementation, improved manufacturing and tailwinds of 2017 global trade revival.

INDUSTRY STRUCTURE AND DEVELOPMENTS

The hospitality industry has been undergoing tremendous changes and disruptions over the last two decades. The key trends that are reshaping the industry are listed here:

- Virtual communities across social networks like Trip Advisor and Google, among others influence tourists and lead to more transparency.
- Online Travel Agents (OTAs) have altered distribution channels, facilitated a shift towards large brands and have built enduring relations with travelers.
- Digitalized guest experiences through apps are increasingly helping hoteliers manage many aspects of the guest cycle and experience.
- Booming global tourism, owing to enablers like low-cost carriers and healthy GDP growth in emerging markets • Rising trend of experience economy wherein customers request extreme personalization, unique experiences, and so on.
- Generations Y and Z have different requirements and needs compared to older generations.
- Sustainability approach of hotels is growing as patrons become increasingly sensitive towards environmental and social issues.

INDIAN HOSPITALITY AND TOURISM INDUSTRY

Travel and tourism industry contributed 9.2% to India's GDP and registered a growth of 6.7% in 2018 (Source: WTTC). The industry supported 43 million jobs in the country (8.1% of total employment). India offers a diverse portfolio of niche tourism products, including cruises; adventure; medical; wellness; sports; meetings, incentives, conventions and exhibitions (MICE) eco-tourism; films; rural and religious tourism.

The country has been recognized as a destination for spiritual tourism for domestic and international tourists. Besides, the introduction of a new category of visa—the medical visa or M visa—is expected to encourage medical tourism in India. Several other factors promoting tourism, in general and hospitality, in particular are:

- Focus on improving infrastructure, including airports, roads and rail connectivity across the country.
- Positive amendments to Coastal Regulation Zones Rules are expected to facilitate development of beach resorts across the coastline.
- Digitisation of services, including payment mechanisms.
- E-visas offered to nationals of 166 countries is expected to increase foreign travelers.
- New avenues of funding Real Estate and Hospitality assets through institutional equity by way of listing Real Estate Investment Trusts (REIT) and Initial Public Offers (IPOs) of certain hospitality companies.

• Introduction of the Insolvency and Bankruptcy Code (IBC) to resolve insolvencies efficiently, which in turn gives rise to opportunities for expansion The industry's concern however, are high GST rates, which at 28% for room tariffs above ₹7,500 are amongst the highest in South East Asia positioning the country as an expensive destination in comparison with regional peers. Further, the recent turmoil within the airline industry in India leading to a decline in flights has impacted travel, notwithstanding the high demand for air travel.

OPPORTUNITIES, THREATS, RISKS AND CONCERNS

Industry has taken upward turn after a long period and the Annual Room Rent and profitability should be better as compared to previous year. The main factor for this upward turn includes the rising purchasing power of domestic travelers, an increase in commercial development and foreign tourist arrivals, a growing airline industry and government-led initiatives aiming to stimulate the sector. The promotion and aggressive marketing measures undertaken by the government is expected to aid influx of tourists. The industry would also benefit from introduction of new forms of tourism and development of niche segments.

Opportunities exist in ecotourism, adventure tourism, and cruise tourism. With increasing environment awareness and consciousness among tourists and given efforts undertaken by the government and private players, the ecotourism segment is expected to record handsome growth in the coming years. However, this is subject to unforeseen events which may reduce tourist traffic and thus the business of Hotels. Infrastructure development has taken place with which the travel and tourism industry is receiving a major boost. Your Company's property with world class services and strong brand identity is ideally poised to take advantage of these opportunities.

GOVERNMENT INITIATIVES:

The Indian government has realised the country's potential in the tourism industry and has taken several steps to make India a global tourism hub.

Some of the major initiatives planned by the Government of India to give a boost to the tourism and hospitality sector of India are as follows:

- Statue of Sardar Vallabhbhai Patel, also known as 'State of Unity', was inaugurated in October 2018. It is the highest standing statue in the world at a height of 182 meter. It is expected to boost the tourism sector in the country and put India on the world tourism map.
- The Government of India is working to achieve 1 per cent share in world's international tourist arrivals by 2020 and 2 per cent share by 2025.
- Under Budget 2019-20, the government allotted Rs 1,160 crore (US$ 160.78 million) for development of tourist circuits under Swadesh Darshan.
- Under Budget 2019-20, the government allotted Rs 160.50 crore (US$ 22.25 million) for development of tourist circuits under Swadesh Darshan.

REVIEW OF OPERATIONAL AND FINANCIAL PERFORMANCE

The total turnover of the Company for the year was recorded at Rs. 19,419.27 Lakhs as against Rs. 17,528.61 lakhs in the previous year, a increase of around 10.79% over the last year. The Company's profit after tax is Rs. 2,506.96 as compared to Rs. 3,789.03 lakhs of previous year.

The average occupancy level of The Orchid, Mumbai, was around 85%. The average occupancy level of VITS Mumbai was around 80%. The Average Room Rate, during the year under review, was at Rs. 6,108 at The Orchid, Mumbai as compared to Rs. 5,869 in the previous year and at Rs. 4,404 at VITS, Mumbai as compared to Rs. 4,325 in the previous year.

SEGMENT WISE PERFORMANCE

The Company is presently operating in only one segment i.e. Hospitality.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Adequate internal controls have been laid down by the Company to safeguard and protect its assets as well as to improve the overall productivity of its operations. The Internal Audit Department of the Company together with Internal Auditors, M/s. Anand Desai & Associates, Chartered Accountants, Mumbai, M/s. R. D. A. and Associates, Chartered Accountants, Bhubaneswar, ensures compliance with the prescribed internal control procedures. Internal audits are carried out at regular intervals and the audit reports are periodically laid before the Audit Committee for review. The Company's internal controls are in line with the requirements of the Company, however, in view of achieving excellence the systems are regularly updated as per the changing needs of the business.

INTERNAL FINANCIAL CONTROLS (IFC)

The Directors have devised a framework for Internal Financial Controls to be followed by the Company that conforms to the requirements of Section 134(5)(e) of the Companies Act, 2013 and incorporates measures that ensure adequate and continuing operating effectiveness of internal financial controls.

Furthermore, in accordance with Section 149(8), read with the Code for Independent Directors laid down under Schedule IV, Clause II (4) of the Companies Act, 2013, the Independent Directors have satisfied themselves on the integrity of financial information and have ensured that Financial Controls and systems are robust and secure.

In order to enable the Directors to meet these responsibilities, the Board has devised the necessary systems, frameworks and mechanisms within the Company. The Board has empowered the Audit Committee to periodically review and confirm that the mechanism remains effective and fulfill the objectives for which they have been created.

OUTLOOK

India is expected to lean towards domestic factors to drive its progress owing to a weak global economic environment. In FY 2019-20, India's economy is likely to grow by 7.2% (Source: RBI). The country's GDP growth will primarily be driven by continued momentum in private investment, as well as gross capital formation, growth in bank credit and strong financial flows to the commercial sector. Normal monsoon and lower oil prices will also augur well for the economy.

However, India has been witnessing some downside on the domestic front since April 2019. Primarily, these were weakness in consumption led by automobiles and two-wheelers, reduction in non-banking financial companies credit funding, impact on exports from moderating global demand and political uncertainty in anticipation of general elections, which has led to mixed views on whether the downside is transient or structural. There have been some recent forecasts, which have pegged the estimated growth of the Indian economy to sub-7% levels. The headwinds that the global economy is facing, including faster-than-anticipated deceleration in global growth, volatility in financial markets, geo-political events and worsening trade disputes could further impact businesses in developed markets as well as emerging markets and cause a plateauing of growth.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Given the highly specialized nature of the Company's business and the large number of locations where it operates, attracting and nurturing the right talent is at the core of your Company's strategy for success and growth. The company's believe in employing the right talent and nurture and polish them vis-à-vis to Company's vision and mission. During 2018-19, significant improvements were made in the recruitment process in the form of standardized pre-employment evaluation as well as interview and assessment processes across locations based on the job profile.

Towards this end, it also institutionalized internal job postings to provide employees opportunities to grow with the organisation. During the year there were 1,082 employees on the pay roll of the Company. Constant efforts are being made to motivate the employees for coming with innovative ideas which may result into improving the operational efficiency, cost rationalization etc. All efforts are made to retain the right talent and also to recognize the talent of employees.

CAUTIONARY STATEMENT

Statements contained in the Management Discussion and Analysis describing the Company's estimates, projections and expectations are forward looking statements and based upon certain assumptions and expectations of future events over which the Company has no control and which could cause actual results to differ materially from those reflected in such statements. Readers should carefully review other information in this Annual Report and in the Company's periodic reports. The Company undertakes no obligation to update or revise any of these futuristic statements, whether as a result of new information, future events, or otherwise.

ANNEXURE 'H' TO THE BOARD'S REPORT

REPORT ON CORPORATE GOVERNANCE

A report on Corporate Governance framework at Kamat Hotels (India) Limited ('KHIL') for the financial year ended 31st March, 2019 on the compliance by the Company with the Corporate Governance requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations'), is furnished below.

COMPANY'S PHILOSOPHY

At KHIL, Corporate Governance is not only a set of processes to be complied with but is an integral part of our core values which drives us towards enhancing the interests of all our stakeholders. Your Company strongly believes in adopting and adhering to good corporate governance practices which are even embedded into the culture of the Organisation which helps us to work in more responsible manner. The Corporate Governance practices uphold the values of transparency, professionalism and accountability and endeavour to maintain these values on ongoing basis.

1. BOARD OF DIRECTORS:

a. Composition of Board of Directors

The Composition of the Board of Directors is in conformity with Regulation 17 of the Listing Regulations and Companies Act, 2013. The Board has an optimum combination of Executive and Non-Executive Independent Directors including one Woman Director. Dr. Vithal V. Kamat is the Executive Chairman and Managing Director of the Company. The Board of your company is a replica of finest blend of eminent personalities in their respective fields like hoteliering, business management, environment and general administration. This combination has helped the Company to take the benefit of rich experience and expertise of the directors in their core areas of competence.

The following table gives information about the composition of the Board, category of directors, membership of the directors in the Board and Board committees of other public limited companies and attendance of each director at the Board meetings and last Annual General Meeting ('AGM') of the Company:

Name	Designation and Category	Board membership in other Companies	Chairmanship of committees in other Companies	Membership (including Chairmanship) of committees in other Companies	No. of Board Meetings of the Company attended	Last AGM Attendance (Yes/No)
Dr. Vithal V. Kamat	Executive Chairman & Managing Director (Promoter)	5	0	0	5	Yes
Mr. S. S. Thakur*	Independent Non Executive Director	3	2	3	5	Yes
Mr. Dinkar D. Jadhav	Independent Non-Executive Director	1	0	0	5	Yes
Ms. Himali H. Mehta	Independent Non-Executive Director	0	0	0	5	No
Mr. Bipinchandra C. Kamdar	Non Executive Director	1	0	1	5	Yes
Mr. Ramnath P. Sarang**	Independent Non-Executive Director	NA	NA	NA	NA	NA

*Resigned w.e.f. 27th May, 2019
**Appointed w.e.f 27th May, 2019.

Notes:

a) It excludes private limited company which is neither a subsidiary nor a holding company of a public company, non – profit companies registered under section 8 of the Companies Act, 2013 (Section 25 of the Companies Act, 1956), unlimited companies.

b) It includes Chairmanship/ Membership in those committees which are prescribed under Regulation 26(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 viz; Audit Committee and Stakeholders' Relationship Committee of Indian Public Limited companies.

c) No independent director of the Company is serving as independent director in more than seven listed companies and is not a whole time director in any listed company.

d) None of the directors on the Board of the Company is a member of more than ten committees or acts as chairman of more than five committees across all public limited companies, whether listed or not.

b. Board Meetings

During the financial year under review, your Board of Directors met five times which is more than the statutory requirement of four meetings.

The maximum time gap between any two board meetings was not more than 120 days. Leave of absence was granted to Directors on the request of the Director who could not attend the Board meetings. None of the directors remained absent from all the Board Meetings during a period of twelve months with or without leave of absence of the board.

Date of Board Meetings	Number of Directors Present at the Meeting
28th May, 2018	5
29th June, 2018	5
13th August, 2018	5
2nd November, 2018	5
5th February, 2019	5

c. Board Meeting Procedure and Decision Making

A list of pre-scheduled Board Meeting is circulated in advance, the date of which is decided in consensus of all the Board Members. In case of the matters requiring utmost priority and which can't be further postponed till the next schedule meeting, additional Board Meetings are convened to address such important matters. Agenda with respect to the meetings are circulated in advance along with the presentation, if any, to be made at the Board Meeting. Agenda comprises of the routine and non-routine matters.

Any matter requiring the approval of the Board is included in agenda of the Board Meeting on the request made by the functional head to the Company Secretary. A detailed presentation is made at the Board meeting and after detailed analysis and deliberation on the presented agenda item the Board takes well informed decisions.

d. Matters dealt/reviewed at Board Meetings

The Board of Directors in its meetings inter-alia focuses mainly on following aspects reviewing and guiding the Corporate Strategy, Risk Policy, Annual Budgets and Business Plans, Setting Performance Objectives, Monitoring Implementation and Corporate Performance, overseeing major capital expenditure, monitoring the effectiveness of governance practices and also deals with important issues relating to business development, internal controls, regulatory compliances, board remuneration with the long term interest of the Company and its shareholders, ensuring a transparent board nomination process with diversity of thought, experience, knowledge, perspective and gender in the board, monitoring and managing potential conflicts of interest of management, board members and shareholders etc.

e. Board Evaluation

Performance evaluation of all the Directors, Board as a whole, and of its committee is undertaken annually as prescribed under the Act and Listing Regulations.

Separate sets of detailed questionnaires is circulated to all the Directors comprising various different questions in order to assess the quality, quantity and efficiency of the Board Committees and Directors,

Evaluation of Board is broadly based on factors like quality of discussion, transparency and timeliness of the information, adhering to good corporate governance practices etc.

The individual Directors are evaluated on factors like leadership quality, attitude, initiatives and responsibility undertaken, decision making, commitment and achievements during the financial year.

f. Disclosure of relationship between Directors:

There is no interrelationship between Directors.

2. FAMILIARISATION PROGRAMMES FOR INDEPENDENT DIRECTORS:

The Company constantly endeavors to familiarize its Independent Director on the functioning of the Company, so that their expertise can be utilized for the good of the Company. In this view the Company has conducted Familiarization Programmes to familiarize the Independent Directors of the Company. Details of the same are disclosed on the website of the Company and the web link of the same is http://www.khil.com/investors/policies.html.

3. COMMITTEES OF THE BOARD:

The Board has constituted the following committees in conformity with the applicable statutory requirements and the Listing Regulations applicable to the Company.

a. AUDIT COMMITTEE

The Company has set up a qualified and independent Audit Committee. The present Chairman of the Committee is Mr. Dinkar D. Jadhav, Non- Executive Independent Director.

The other Members of Audit Committee comprises:

a) Ms. Himali H. Mehta, Non- Executive Independent Director;

b) Mr. Ramnath P. Sarang, Non- Executive Independent Director; (appointed w.e.f. 27th May, 2019)

c) Mr. Bipinchandra C. Kamdar, Non- Executive Director

Out of 4 members 3 members of the Audit Committee are independent directors. All the members of the committee are financially literate and at least one member of the committee has accounting and related financial management expertise.

The composition and terms of reference of this Committee is in compliance with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Company Secretary acts as a Secretary to the Audit Committee.

During the year under review four meetings of the Audit Committee were held on 28th May, 2018, 13th August, 2018, 2nd November, 2018 and 5th February, 2019

Attendance of the committee members at its meetings are as follows:

Sr. No.	Name of the Member	Category	Meetings attended
1	Mr. S. S. Thakur*	Chairman	4
2	Mr. Dinkar D. Jadhav**	Member	4
3	Ms. Himali H. Mehta	Member	4
4	Mr. Bipinchandra C. Kamdar	Member	4

*Resigned w.e.f. 27th May, 2019
** Appointed as Audit Committee Chairman w.e.f 27th May, 2019.

The maximum time gap between any two committee meetings was not more than 120 days.

There has been no instance where the Board of Directors of the Company had not accepted any recommendation of the Audit Committee.

The Statutory Auditors, Internal Auditors, Chief Financial Officer and Vice President – Finance attend the meetings of the Audit Committee upon invitation.

Mr. S. S. Thakur, Chairman of Audit Committee was present at the 31st Annual General Meeting.

b. NOMINATION AND REMUNERATION COMMITTEE

The Company has through its Board of Directors, constituted a Nomination and Remuneration Committee comprising of four directors. The present Chairman of the Committee is Mr. Dinkar D. Jadahv, Non Executive Independent Director.

The other Members of Nomination and Remuneration Committee comprises:

a) Mr. Ramnath P. Sarang, Non- Executive Independent Director; (appointed w.e.f. 27th May, 2019)

b) Ms. Himali H. Mehta, Non- Executive Independent Director; and

c) Mr. Bipinchandra C. Kamdar, Non- Executive Director

Out of 4 members 3 members of the Nomination & Remuneration Committee are Independent Directors.

The composition and terms of reference of this Committee is in compliance with the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations. The Company Secretary acts as Secretary to the Nomination and Remuneration Committee.

During the year under review meeting of the Nomination and Remuneration Committee was held on 28th May, 2018. Attendance of the committee members at its meetings are as follows:

Sr. No.	Name	category	Meeting attended
1	Mr. Dinkar D. Jadhav	Chairman	1
2	Ms. Himali H. Mehta	Member	1
3	Mr. Bipinchandra C. Kamdar	Member	1
4	Mr. S. S. Thakur*	Member	1

* Resigned w.e.f. 27th May, 2019

Mr. Dinkar D. Jadhav, Chairman of Nomination and Remuneration Committee was present at Annual General Meeting.

c. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Company has through its Board of Directors, constituted a Stakeholders Relationship Committee comprising of three Directors. The present Chairman of the Committee is Mr. Dinkar D. Jadhav, Non- Executive Independent Director.

The other Member of Stakeholders Relationship Committee comprises:

a) Mr. Bipinchandra C. Kamdar, Non- Executive Director

b) Mr. Ramnath P. Sarang - Non- Executive Independent Director (appointed w.e.f. 27th May, 2019)

The composition and terms of reference of this Committee is in compliance with the requirements of Section 178 of the Companies Act, 2013 and Listing Regulations. The Company Secretary acts as Secretary to the Stakeholders Relationship Committee.

All share related issues are handled and resolved by the Share Transfer Committee. However, exceptional cases, if any, are referred to the Stakeholders Relationship Committee.

During the year, all the complaints received from the shareholders are redressed to satisfaction. There were no complaints outstanding as on 31st March, 2019. No request for transfer and dematerialization were pending for approval as on 31st March, 2019.

The Registrar and Share Transfer Agents (RTA), M/s. Link Intime India Private Limited, attend to all grievances of shareholders received directly or through Securities and Exchange Board of India, Stock Exchanges or the Ministry of Corporate Affairs.

The Company maintains continuous interaction with the RTA and takes proactive steps and actions for resolving shareholder complaints/ queries.

During the year under review meeting of the Stakeholders Relationship Committee were held on 28th May, 2018. Attendance of the committee members at its meetings are as follows:

Sr. No.	Name	category	Meeting attended
1	Mr. Dinkar D. Jadhav	Chairman	1
2	Mr. Bipinchandra C. Kamdar	Member	1

Mr. Dinkar D. Jadhav, Chairman of Stakeholder Relationship Committee was present at 31st Annual General Meeting.

d. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The composition of Corporate Social Responsibility Committee (CSR) is as per the requirement of the Act.

The terms of reference of the CSR Committee are in compliance with the terms of reference provided under Section 135 of the Companies Act, 2013.

The meeting of the Corporate Social Responsibility Committee was held on 28th May, 2018, during the financial year 2018-19.

The composition of the CSR Committee and attendance of the members at its Meeting are as under:

Sr. No.	Name	category	Meeting attended
1	Mr. Dinkar D. Jadhav	Chairman	1
2	Ms. Himali H. Mehta	Member	1
3	Mr. Bipinchandra C. Kamdar	Member	1
4	Mr. S. S. Thakur *	Member	1

*Resigned w.e.f. 27th May, 2019

The Company Secretary act as Secretary to the CSR Committee.

e. MEETING OF INDEPENDENT DIRECTORS

The Company's Independent Directors met once during the financial year 2018-19 without the presence of Executives. Such meeting were conducted to enable the Independent Directors to discuss matters pertaining to the Company's affairs.

f. PERFORMANCE EVALUATION CRITERIA FOR DIRECTORS

Nomination and Remuneration Committee has devised a criteria for evaluation of the performance of the Directors including Independent Directors. The said criteria provides certain parameters like attendance, acquaintance with business, communicate inter se board members, effective participation, domain knowledge, compliance with code of conduct, vision and strategy, benchmarks established by global peers etc., which is in compliance with applicable laws, regulations and guidelines.

4. DETAILS OF REMUNERATION PAID/TO BE PAID TO THE EXECUTIVE DIRECTOR DURING THE FINANCIAL YEAR 2018-19 :

Remuneration paid/to be paid to the Executive Director is recommended by the Nomination and Remuneration Committee, approved by the Board and is subject to the overall limits as approved by the Shareholders.

Name of the Director & Designation	Salary (Rs.)	Perquisites (including club fees) (Rs.)	Tenure/ Notice period / Severance fees
Dr. Vithal V. Kamat, Executive Chairman and Managing Director	96,00,000	66,620	Tenure: 1st October, 2016 to 30th September, 2019 Notice Period: Six Months. Severance fees: NIL

- No payment of commission to the Executive and Non-Executive Directors was made for the period from 1st April, 2018 to 31st March, 2019.
- The Company do not have any Stock Option plan.
- Notice period six months.
- There is no separate provision for severance fees.
- None of the non executive Directors have any pecuniary relationship with the Company other than sitting fees.
- During the year, the Company had sufficient profit for making payment of remuneration to Executive Chairman and Managing Director

5. DETAILS OF SITTING FEES PAID, SHARES AND CONVERTIBLE INSTRUMENTS HELD BY/TO NON-EXECUTIVE DIRECTORS:

Name of the Director	Amount in Rs.	Number of Shares and Non- Convertible Instruments
Mr. Dinkar D. Jadhav	2,15,000	NIL
Ms. Himali H. Mehta	2,05,000	NIL
Mr. Bipinchandra C. Kamdar	2,15,000	NIL
Mr. S. S. Thakur	2,05,000	NIL
Total	8,40,000	

Notes:

a) No Bonus, stock options, or performance linked incentives were provided to any of the Directors of the Company during the period from 1st April, 2018 to 31st March, 2019.

6. ANNUAL GENERAL MEETINGS AND OTHER GENERAL MEETINGS HELD FOR THE LAST 3 FINANCIAL YEARS:

Particulars	FY-2015-16 AGM	FY-2016-17 AGM	FY-2017-18 AGM
Date	24th September, 2016	22nd September, 2017	26th September, 2018
Location	"Shubham Hall", Landmark Building, Opposite Vile Parle Railway Station, Junction of Besant Road and V. P. Road, Vile Parle (West), Mumbai – 400 056	"Vishal Hall", Hotel Highway Inn, Sir M. V. Road (Andheri Kurla Road), Near Railway Station, Andheri (East), Mumbai – 400 069.	"Vishal Hall", Hotel Highway Inn, Sir M. V. Road (Andheri Kurla Road), Near Railway Station, Andheri (East), Mumbai – 400 069.
Time	3.30 p.m.	11.30 a.m.	11.30 a.m.

- One Special Resolution was passed at the Annual General Meeting held on 24th September, 2016 as under:

1.	Re-appointment of Dr. Vithal V. Kamat as an Executive Chairman and Managing Director of the Company for a period of three years w.e.f. 1st October, 2016

- No special resolution was passed at the Annual General Meeting held on 22nd September, 2017 and
- Seven Special Resolutions were passed at the Annual General Meeting held on 26th September, 2018 as under:

1.	Re-Appointment of Mr. Dinkar D. Jadhav as an Independent Director.
2.	Re-Appointment of Ms. Himali H. Mehta as an Independent Director.
3.	Approval for continuation of holding of office of Non-Executive Director of the Company by Mr. Bipinchandra C. Kamdar under Regulation 1 7 (1A) of SEB`I (LODR) Regulations, 2015.
4.	Making loan/invest/provide guarantees/security upto an amount not exceeding Rs. 1,000 crores
5.	Creating charge on the assets of the Company.
6.	Approve related party transactions.
7.	Approval of continuation of Directorship of Mr. S. S. Thakur who was appointed as Independent Director for a period of 5 years from 24th September, 2016 to 23rd September, 2021 and who is 88 years, for the remaining period of his existing term of Directorship.

Postal Ballot

On 29th June, 2018 the Company has sought approval from the shareholders by way of Postal Ballot pursuant to Section 110 of the Companies Act, 2013. Details relating to resolutions passed, procedure for Postal Ballot, Scrutinizer's Report are placed on the website of the Company; www.khil.com.

Further as on date this report, no Special Resolution is proposed to be through Postal Ballot.

7. SUBSIDIARY COMPANIES:

Mr. Dinkar D. Jadhav, an Independent Director of the Company was appointed as a Director on the Board of Directors of the non listed Indian subsidiary of the Company i.e Orchid Hotels Pune Private Limited with effect from 31st October, 2013. It is pertinent to mention that as per the provisions of the Listing Regulations, Orchid Hotels Pune Private Limited has ceased to be material subsidiary of the Company. However, Mr. Dinkar Jadhav, Independent Director of the Company continues to be Director on the Board of Directors of Orchid Hotels Pune Private Limited.

The Audit Committee reviews the financial statements of the Subsidiary Companies.

The minutes of the Board meetings of all the subsidiary companies are periodically placed before the meetings of the Board of Directors of the Company. All significant transactions and arrangements by the unlisted subsidiaries of the Company are brought to the attention of the Board of the Company.

- Financial statements, in particular investments made by subsidiary companies, are reviewed quarterly by the Company's Audit Committee.
- Minutes of Board meetings of subsidiary companies are placed before the Company's Board regularly.
- A statement containing all significant transactions and arrangements entered into by subsidiary companies is placed before the Company's Board.

The Company has formulated a policy for determining 'material' subsidiaries of the Company and the policy is disclosed on the website of the Company and its web link is http://www.khil.com/investors/policies.html

8. DISCLOSURES:

CEO and CFO Certification:

The Executive Chairman and Managing Director and Chief Financial Officer (CFO) have given a certificate to the Board contemplated with Regulation 17(8) of Listing Regulations as enclosed as "**Annexure I**".

Related Party Transactions:

During the year under review, the Company had entered into transaction of material nature with its related parties, however, the same may not have potential conflict with the interest of the Company. The Company had formulated a policy for Related Party Transactions and the same is disclosed on the website of the Company at http://www.khil.com/investors/policies.html

Compliance:

Compliance with Mandatory Requirements:

Your Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance.

Compliance with Non- Mandatory Requirements:

The Company has also adopted the non mandatory requirement as specified in the Listing Regulations regarding unmodified financial statements.

The Company has complied with various rules and regulations prescribed by SEBI or any the statutory authorities relating to the capital market.

Whistle Blower/Vigil Mechanism:

The Company has established a Vigil Mechanism for directors and employees to report genuine concerns. The Vigil Mechanism enable the Directors, employees and all stakeholders of the Company to report genuine concerns and adequate safeguards against victimization of person who use Vigil Mechanism and make provision for direct access to the Chairman of the Audit Committee.

There are no instance were personnel has been denied access to the Audit Committee.

The detail of Vigil Mechanism is displayed on the website of the Company www.khil.com and its web link is http://www.khil.com/investors/policies.html

Code of Conduct:

The Board of Directors has laid down a "Code of Conduct" (Code) for all the Board members and the senior management personnel of the Company and this Code is posted on the website of the Company. Annual compliance declaration is obtained from every person covered by the Code.

Risk Management:

The Company has a well- defined Risk Management Policy which helps to identify, manage and mitigate business risks. The Board and Audit Committee periodically discusses the significant business risk identified by Management and reviews the measures taken for mitigation. A note on identification and mitigation of risks is included in Management Discussion and Analysis annexed to the Board's Report.

Reconciliation of Share Capital Audit Report

In terms of the provisions of Clause 55A of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, Reconciliation of Share Capital Audit is carried out on a quarterly basis by a Practicing Company Secretary with a view to reconcile the total admitted capital with National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") and those held in physical form with the total issued, paid up and listed capital of the Company. The audit report, inter alia, confirms that the Register of Members is duly updated and that demat/remat requests were confirmed within stipulated time etc. The said report is also submitted to BSE Limited and National Stock Exchange of India Limited.

Prohibition of Insider Trading

With a view to regulate trading in securities by the directors and designated employees, the Company has adopted a Code of Conduct for Prohibition of Insider Trading. (inserted by SEBI (Prohibition of Insider Trading) (amendment) Regulations, 2018 (w.e.f. 1ast April, 2019)

9. MEANS OF COMMUNICATION:

The Company believes in disseminating the crucial information to its shareholders at earliest either by way of Stock Exchange communication or by posting it on the website of the Company. This highlights the importance of two way communication.

Quarterly Results:

Quarterly, half-yearly and annual financial results of the Company are published in English Daily Free Press Journal, "Financial Express" Mumbai and Marathi Daily Loksatta and Navshakti (Maharashtra edition). The results are submitted to the Stock Exchanges and are simultaneously posted on the website of the Company.

Website:

The Company's website (www.khil.com) maintains a dedicated section pertaining to 'Investors' which serves as one stop station for all the shareholders information. The website is maintained and regularly updated in compliance with Regulation 46 of the Listing Regulations.

Annual Reports:

The Company's Annual Report is circulated to the members either in physical form or through e-mail (whose e-mail id is registered). The Annual Report of the Company is also made available on website of the Company i.e. www.khil.com. Any shareholder who intends to obtain the physical copy of Annual Report or requires any necessary information can contact the Company Secretarial Department for necessary information through the following routes:

Telephone No.: 022 26164000, **Email id**: cs@khil.com , **Website:** www.khil.com.

10. GENERAL SHAREHOLDERS INFORMATION

a. Company Registration details: The Company is registers in the State of Maharashtra, India. The Corporate Identification Number (CIN) of the Company is L55101MH1986PLC039307.

b. Annual General Meeting Date: Wednesday, the 18th September, 2019 at 11.00 a.m. Venue: "Vishal Hall", Hotel Highway Inn, Sir M. V. Road (Andheri- Kurla Road), Near Railway Station, Andheri (East), Mumbai – 400069.

c. Tentative Financial Calendar

Audited Annual Accounts for the year 2018-19	27th May, 2019
Unaudited 1st quarter Results (June 30, 2019)	First week of August, 2019
Annual General Meeting	18th September, 2019
Unaudited 2nd quarter Results (September 30, 2019)	Second week of November, 2019
Unaudited 3rd quarter Results (December 31, 2019)	Second week of February, 2020
For the year ending (March 31, 2020)	Audited Financial Results will be declared within 60 days from the end of F.Y. 2019-20

The above schedule is subject to change pursuant to unforeseen circumstances.

d. Dates of book closure: from Wednesday, 11th September, 2019 to Wednesday, 18th September, 2019

e. Dividend payment date for Dividend 2018-19: -N.A.

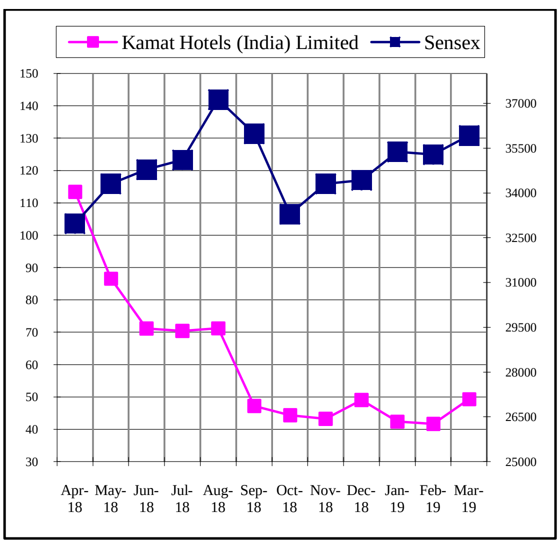
f. Listing of Equity Shares on Stock Exchanges and Market Price Data Name of the Stock Exchange(s) Stock Code/Symbol Bombay Stock Exchange Limited: 526668 at Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 and National Stock Exchange of India Limited: KAMATHOTEL at Exchange Plaza, C-1, Block G, Bandra –Kurla Complex, Bandra (E), Mumbai – 400 051

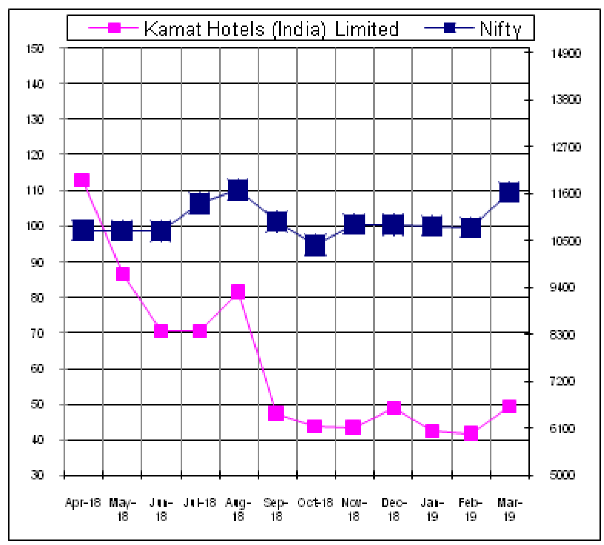
g. The Company has paid listing fee to all the Stock Exchanges for the financial year 2018-19.

h. Stock Market Price Data

Month	Bombay Stock Exchange Limited			National Stock Exchange of India Limited		
	High (₹)	Low (₹)	Monthly Volume	High (₹)	Low (₹)	Monthly Volume
Apr-18	124.35	86.50	10,97,727	124.50	86.50	67,22,805
May-18	115.80	85.75	3,63,100	116.05	85.05	20,24,556
Jun-18	87.55	64.00	3,76,193	87.70	62.30	16,63,883
Jul-18	74.35	57.00	4,97,363	74.75	57.15	18,28,547
Aug-18	83.25	68.50	3,25,227	83.45	68.30	11,74,709
Sep-18	72.90	45.50	2,74,388	73.00	45.20	12,23,103
Oct-18	52.00	38.05	4,12,109	52.75	37.45	13,33,164
Nov-18	48.80	39.90	3,61,786	49.00	39.50	25,00,064
Dec-18	55.75	39.30	5,25,791	55.30	39.25	44,96,552
Jan-19	50.25	39.90	2,09,890	50.30	40.00	1,92.,416
Feb-19	46.10	39.00	1,41,118	46.80	39.20	12,18,727
Mar-19	54.50	41.40	3,29,231	54.45	41.30	30,32,911

i. Performance in comparison:





j. Liquidity

As seen from the above table the shares of the Company are actively traded on the BSE and NSE.

k. Registrars and Share Transfer Agents

Link Intime India Pvt. Ltd.,
C-101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai-400083,
Tel No. 022 49186270 and Fax No. 022 49186060
Email : rnt.helpdesk@linkintime.co.in
Website : www.linkintime.co.in

For any queries, investors are requested to get in touch with the Registrars and Share Transfer Agents at the address mentioned above or office of the Company Secretary at the Registered Office of the Company.

l. Share Transfer System

The Share Transfer Committee constituted by the Board considers and approves all physical form shares related issues, transfers, transmission, transposition, remat of shares, deletion of name of deceased shareholder(s) from share certificates, issue of duplicate/ renewed/subdivided/ consolidated/replaced share certificate(s) etc. The transfer formalities are attended to on fortnightly basis by the nominated Registrars & Share

Transfer Agents. The members of the Share Transfer Committee are:

Dr. Vithal V. Kamat - Executive Chairman and Managing Director

Mr. Bipinchandra C. Kamdar, Non - Executive Director

The shares are transferred and returned within the minimum stipulated period provided all the necessary documents are found in order.

m. SEBI Complaints Redress System (SCORES):

SCORES is a system implemented by SEBI which enables investors to lodge their complaints electronically on the SEBI website. The investor complaints are processed in a centralized web based complaints redressal system. The salient features of this system are centralised database of all complaints, online uploading of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status. All complaints received through SCORES are resolved in a timely manner by the Company, similar to other complaints.

n. NSE Electronic Application Processing System (NEAPS) and BSE Corporate Compliance & Listing Centre (BSE Listing Centre)

NEAPS and BSE Listing Centre are web based application systems for enabling corporates to undertake electronic filing of various periodic compliance related filings like shareholding pattern, results, press releases, etc.

o. Distribution of shareholdings as on 31st March, 2019

Shareholding of Nominal Value ₹			Number of Shareholders	% of total	Nominal Value ₹	% of total amount
1	to	500	12492	85.36	16,82,447	7.13
501	to	1,000	977	6.68	7,98,693	3.39
1,001	to	2,000	533	3.64	8,26,768	3.50
2,001	to	3,000	195	1.33	4,99,659	2.12
3,001	to	4,000	86	0.59	3,12,480	1.32
4,001	to	5,000	76	0.52	3,58,245	1.52
5,001	to	10,000	138	0.94	10,24,875	4.35
Above 1,00,001			138	0.94	1,80,80,891	76.67
Total			**14635**	**100**	**2,35,84,058**	**100**

Category of Shareholdings as on 31st March, 2019

Category	No. of Equity Shares	% of total paid up Capital
Promoter and Promoter group	1,43,61,960	60.90
Directors and their Relatives (other than Promoter)	-	-
Mutual Fund	1,000	0.00
NRI/OCBs	2,93,501	1.25
Public:		
-Corporate Bodies	14,01,596	5.94
- Individual and Others	75,26,001	31.91
Total	2,35,84,058	100

p. Dematerialisation of Shares:

As on 31st March, 2019, 2,32,82,546 equity shares (98.72% of total equity capital) were held in dematerialised form. The relative ISIN NO. allotted to the company is INE967C01018.

q. Outstanding GDRs/ ADRs / Warrants or convertible instruments:

Currently, there are no outstanding FCCB/GDRs/ADRs/Warrants and Convertible instruments.

r. Location of Hotels / Restaurants:

The details of location of Hotels and Restaurants are forming part of this Annual Report.

s. Address for Correspondence

Any query on Annual Report- Secretarial Department, Kamat Hotels (India) Limited, 70-C, Nehru Road, Near Santacruz Airport, Vile Parle (East), Mumbai - 400099, e-mail id- cs@khil.com

By Order of the Board of Directors of
KAMAT HOTELS (INDIA) LIMITED

Dr. Vithal V. Kamat
DIN 00195341
Executive Chairman and Managing Director

Place: Mumbai
Date: 5th August, 2019

Declaration on Code of Conduct:

It is confirmed that the Board has laid down a Code of Conduct for all Board members and senior management personnel of the Company.

The Code of Conduct has been posted on the website of the Company. It is further confirmed that all the Directors and senior management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended on 31st March, 2019, as envisaged in Listing Regulations.

"I hereby confirm that the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation that they have complied with the Codes of Conduct and Ethics for Directors and Senior Management of the Company in respect of the financial year 2018-19."

By Order of the Board of Directors of
KAMAT HOTELS (INDIA) LIMITED

Dr. Vithal V. Kamat
DIN 00195341
Executive Chairman and Managing Director

Place: Mumbai
Date: 5th August, 2019

AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE AS STIPULATED IN REGULATION 34(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURES REQUIREMENTS) REGULATIONS, 2015 BY THE COMPANY FOR YEAR ENDED 31ST MARCH, 2019

To
The Members,
Kamat Hotels (India) Limited

We have examined the compliance of conditions of Corporate Governance by Kamat Hotels(India) Limited, for the year ended March 31, 2019 as stipulated in regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 and para C, D and E of Schedule V of Securities and Exchange Board of India ('Listing Obligations and Disclosure Requirements') Regulations, 2015 ("Listing Regulations').

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in SEBI Listing Regulations.

Our responsibility is limited to examining to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations during the year ended 31st March, 2019

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

FOR **V V CHAKRADEO & CO COMPANY SECRETARIES**

V. V. CHAKRADEO
COP 1705. FCS 3382

Place : Mumbai
Date : 27th May, 2019

ANNEXURE "I" TO THE BOARD'S REPORT

MD AND CFO CERTIFICATION

The Executive Chairman and Managing Director and Chief Financial Officer (CFO) have given a following certificate to the Board as contemplated with Regulation 17(8) of Listing Regulations .

Financial Statements and cash flow statement for the year ended on 31st March, 2019

Pursuant to Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR), we certify that:

A. "We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2019 and that to the best of our knowledge and belief:

   (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit committee:

   (1) significant changes in internal control over financial reporting during the year;

   (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

   This certificate is given by the undersigned with full knowledge that, on its faith and strength, full reliance is placed by the Board of Directors of the Company".

FOR **KAMAT HOTELS (INDIA) LIMITED**

SMITA NANDA
CHIEF FINANCIAL OFFICER

Dr. VITHAL V. KAMAT
(DIN 00195341)
EXECUTIVE CHAIRMAN & MANAGING DIRECTOR

Place : Mumbai
Date : 27th May, 2019

Independent Auditors' Report

To,

The Members of

Kamat Hotels (India) Limited

Report on the standalone financial statements

Opinion

We have audited the accompanying standalone financial statements of **Kamat Hotels (India) Limited** ('the Company') which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (together referred to as standalone financial statements).

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31st March 2019, and its profit (including other comprehensive income), the 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 Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

Reference is invited to note 53 to the standalone financial statements. Company's accumulated losses are in excess of its paid up capital and other equity and its current liabilities exceeds its current assets as on 31stMarch 2019. Further, in respect of loans, there are delays in repayment of principal and overdue instalments as at 31st March 2019. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. We are informed that Company's management is taking appropriate steps to mitigate the impact of accumulated losses and improve cash flows and in the opinion of management, the fair values of the assets of the Company are significantly higher than the debts. Management has also arranged additional funds in the Company by way of term loan from bank. In view of the above and considering management's opinion, the standalone financial statements have been prepared on a going concern basis for the reasons stated in the said note.

Our opinion is not modified in respect of this matter. Further, the material uncertainty related to going concern para was also reported in our independent audit report for financial year 2017-2018 dated 28th May 2018 and our opinion was not modified in the previous year also.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of thestandalone financial statements of the current year. These matters were addressed in the context of our audit of thestandalone financial statements as a whole, and informing our opinion thereon, and we do not provide a separate opinion on these matters.In addition to the matter described in the 'Material Uncertainty Related to Going Concern' section above, we have determined the matters described below to be the key audit matters to be communicated in our report:

Key Audit Matter	How our audit addressed the Key Audit Matter
Corporate guarantee given on behalf of wholly owned subsidiary and joint venture entity - accounting treatment We refer to note 2.4(x) and 41.3(ii) of notes to standalone financial statement. The Company has given corporate guarantee on behalf of subsidiary and joint venture entity towards loan facilities from banks.	This is matter is discussed with the management. We have relied on the explanations given by the management thatwith respect to wholly owned subsidiary company, in view of the financial condition of the Company and ongoing discussion with the lenders of the subsidiary, no liability would arise on the Company on account of this guarantee. With respect to the joint venture entity (JV), considering settlement of loan with the lender and expected improvement in financial position of the JV, it would be able to refinance the outstanding debt and meet the debt obligations as and when they fall due.Hence, management is not expecting any obligation required to be accounted out of the financial guarantee given by the Company. This matter has been disclosed in the standalone financial statements as contingent liability.

Information other than the standalone financial statements and auditor's report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. These reports are expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and make other appropriate reporting as prescribed.

Responsibilities of management and those charged with governance for the standalone financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of 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 Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015 as amended from time to time.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the standalone financial statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 Act, 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

  Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statementsmay be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

  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 standalone 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 in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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, Statement of Changes in Equity and the Cash Flow Statement and 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 Indian Accounting Standards prescribed under section 133 of the Act read with relevant rules issued thereunder.
   e) The matter described in 'Material uncertainty related to going concern' paragraph, in our opinion may have an adverse impact on the functioning of the Company.
   f) 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 are disqualified as on 31st March 2019, from being appointed as a director in terms of Section 164(2) of the Act.
   g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
   h) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its director during the year is in accordance with the provisions of section 197 of the Act.
   i) 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, if any, on its financial position in its standalone financial statements - Refer note 14.1 and 41.3 of thestandalone financial statements.
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No.: 116560W/W100149

Sandeep Shah
Partner
Membership No. 37381

Place: Mumbai
Date: 27th May 2019

Annexure A to the Independent Auditor's Report for the year ended 31st March 2019

[Referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date]

i. In respect to fixed assets:

a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) The fixed assets were physically verified during the year by the Management which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such physical verification.

c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed and conveyance deed, we report that, the title deeds, comprising all the immovable properties of land and building which are free hold, are held in the name of the Company as at the balance sheet date except with respect to freehold land situated at Nagpur having gross block of Rs. 134.40 lakhs, same is in the name of the Chairman and executive director of the Company.

The Company also holds immovable properties ("buildings") that have been built on land taken on lease which are disclosed as a part of the property, plant and equipment and investment property of the Company in the standalone financial statements. The lease agreements in these cases are in the name of the Company.

ii. In our opinion, physical verification of inventories has been conducted by the management at reasonable intervals. The discrepancies noticed on such verification by the management, were not material and have been properly dealt with in the books of account.

iii. According to the information and explanation given to us, the Company has not granted loans secured or unsecured to firms, limited liability partnership and other parties. The Company has granted unsecured loan to companies, covered in the register maintained under section 189 of the Act. In respect of such loans,

(a) With respect to terms and conditions for loans granted to wholly owned subsidiary companies [Orchid Hotels Pune Private Limited (OHPPL) and Mahodadhi Palace Private Limited (MPPL)] due to adverse factors, which have affected the financial position of these entities, interest is waived off by the Company till the financial position of these entities improves. Further, in view of these developments, the aforesaid loans and outstanding interest thereon have been classified by the Company as doubtful of recovery and provision has been made in the accounts in earlier years. In our opinion, in view of the above, the terms and conditions of the above loans are prejudicial to the interest of the Company.

(b) As mentioned above, interest is waived off by the Company. The terms of the arrangements stipulate that the principal is refundable as and when funds are available with the borrowers. Since the refund of principal is dependent on availability of funds with the borrower, question of our comment on regularity of receipt of principal does not arise.

(c) As stated above, interest is waived off by the Company and considering the terms of repayment of principal no amounts were dues, therefore, the question of our comment on the overdue amount for more than ninety days does not arise.

iv. According to the information and explanation given to us, the Company has not granted any loan or given any guarantee or provided any security to any of its directors or any person connected to directors which attracts the provisions of section 185 of the Act from the date when it became effective. The Company has not granted any loan, made investment, given any guarantee or provided securities from the date when this section become effective for which compliance u/s 186 of the Act is required. In view of the above, our comment on compliance of Section 185 and 186 of the Act is not required.

v. In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of provisions of Section 73 to 76 of the Act and the rules framed there under. We have been informed that no order relating to Company has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

vi. The Central Government has not prescribed maintenance of cost records under section 148(1) of the Act. Accordingly, clause (vi) of paragraph 3 the Order is not applicable to the Company.

vii. In respect of statutory dues:

(a) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of amounts deducted / accrued in the books of accounts, the Company has been generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, professional tax, income tax, sales tax, service tax, duty of customs, duty of excise, cess and any other material statutory dues, as applicable to the Company, during the period with the appropriate authorities except few delays inpayment of Maharashtra Value Added Tax (MVAT) andGoods and Service Tax (GST). According to the information and explanation given to us, there are no undisputed amounts payable in respect of statutory dues outstanding for more than six months from the date they become payable.

(b) According to the records of the Company and information and explanations given to us, there are no dues of income tax, sales tax, service tax, GST, customs duty, excise duty or cess which have not been deposited with appropriate authorities on account of any dispute except as tabulated under:

Name of the Statute	Nature of the dues	Amount (Rupees in lakhs)*	Period to which it pertains	Forum where dispute is pending
Maharashtra Value Added Tax Act, 2002	MVAT	15.64	2006-07	Joint Commissioner of Sales Tax (Appeals)
	MVAT	12.42	2007-08	Joint Commissioner of Sales Tax (Appeals)
	MVAT	13.95	2008-09	Joint Commissioner of Sales Tax (Appeals)
	MVAT	6.91	2010-11	Joint Commissioner of Sales Tax (Appeals)
	MVAT	274.97	2011-12	Joint Commissioner of Sales Tax (Appeals)
	MVAT	37.09	2012-13	Joint Commissioner of Sales Tax (Appeals)
	MVAT	5.01	2013-14	Joint Commissioner of Sales Tax (Appeals)
Maharashtra Tax on Luxuries Act 1987	Luxury Tax	1.11	2011-12	Joint Commissioner of Sales Tax (Appeals)
	Luxury Tax	13.90	2012-13	Joint Commissioner of Sales Tax (LTU 4)
	Luxury Tax	14.58	2013-14	Joint Commissioner of Sales Tax (LTU 4)
Finance Act, 1994	Service Tax	0.67	2012-13	Commissioner of Service Tax (Appeals)
	Service Tax	0.43	2013-14	Commissioner of Service Tax (Appeals)
	Service Tax	77.54	2014-15	CESTAT, West Zonal Bench – Mumbai
	Service Tax	2.68	2014-15	Commissioner of Service Tax (Appeals)
	Service Tax	28.98	2015-16	Deputy Commissioner Service Tax
	Service Tax	30.40	2016-17	Assistant Commissioner Service Tax
	Service Tax	3.41	2017-18	Assistant Commissioner Service Tax

* Net of amount paid under protest of Rs. 22.40 lakhs.

viii. In our opinion and according to the information and explanations given to us, the Company has defaulted in payment of interest and repayment of principal to banks and financial institution during the year as tabulated below:

Sr.No.	Name of the lender	Amount of default- (Rs. in lakhs)	Period of delay	Remarks
1	Phoenix ARC Private Limited (Assigned by Allahabad Bank)	971.30	1 to 69 Days	Principal
2	Asset Reconstruction Company Enterprise Limited (Assigned by Andhra Bank)	350.00	63 to 74 Days	Principal
3	Central Bank of India (*)	35.00	3 Days	Principal
		7.09	3 Days	Interest
4	India SME Asset Reconstruction Company Limited (Assigned by Dena Bank)	159.00	1 to 53 Days	Principal
5	Edelweiss Asset Reconstruction Limited (Assigned by Canara Bank)	93.00	8 to 34 Days	Principal
		16.44	5 to 8 Days	Interest
6	Edelweiss Asset Reconstruction Limited (Assigned by Larsen & Toubro Infrastructure Finance Company Limited)	429.00	2 to 64 Days	Principal
7	Asset Reconstruction Company Enterprise Limited (Assigned by State Bank of India)(**)	1,200.00	1 to 88 Days	Principal
8	India SME Asset Reconstruction Company Limited (Assigned by Syndicate Bank)	101.50	2 to 65 Days	Principal
9	Asset Reconstruction Company Enterprise Limited (Assigned by Tourism Finance Corporation of India)(**)	194.00	1 to 53 Days	Principal
10	Invent Assets Securitisation & Reconstruction Private Limited (Assigned by Vijaya Bank)	73.00	1 to 35 Days	Principal

Notes:
(*) This loan has been repaid fully during the year.
(**) Repayment schedule of these loans have been restructured/ rescheduled during the year.

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

ix. In our opinion and according to the explanation given to us, term loan raised during the year is used for the purpose for which it has been raised. The Company has not raised money by way of initial public offer or further public offer [including debt instruments] during the year.

x. During the course of our examination of the books of account and records of the Company, carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any incidence of fraud by the Company or any fraud on the Company by its employees / officers, nor have been informed of any such case by the management.

xi. In our opinion and according to information and explanation given to us, managerial remuneration has been paid / provided by the Company in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. In our opinion, the Company is not a Nidhi company. Therefore, clause (xii) of paragraph 3 of the Order is not applicable.

xiii. According to the information and explanations given to us and on the basis of our examination of records of the Company, transaction with related parties are in compliance with Section 177 and 188 of the Act, where applicable and details have been disclosed in the standalone financial statements as required under Ind AS 24, Related Party Disclosure specified under section 133 of the Act [Also refer note 43 of standalone financial statements], read with Rule 7 of the Companies (Accounts) Rules 2014.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, question of our comment on compliance with provisions of Section 42 of the Act does not arise.

xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with directors or person connected with director. Therefore, question of our comment on compliance with provisions of Section 192 of the Act does not arise.

xvi. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No.: 116560W/W100149

Sandeep Shah
Partner
Membership No. 37381

Place: Mumbai
Date: 27th May 2019

Annexure B to the Independent Auditor's Report for the year ended 31st March 2019

[Referred to in paragraph 2(f) under the heading "Report on other legal and regulatory requirements" of our report of even date]

Report on the Internal Financial Controls under section 143(3)(i) of the Companies Act, 2013 ('the Act')

Opinion

We have audited the internal financial controls over financial reporting of **Kamat Hotels (India) Limited** ("the Company") as of 31st March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Responsibilities of management and those charged with governance for Internal Financial Controls over Financial Reporting

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

The Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. The Company's internal financial control over financial reporting includes those policies and procedures

that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No.: 116560W/W100149

Sandeep Shah
Partner
Membership No. 37381

Place: Mumbai
Date: 27th May 2019

KAMAT HOTELS (INDIA) LIMITED

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2019

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

	PARTICULARS	NOTE NO.	AS AT 31ST MARCH 2019	AS AT 31ST MARCH 2018
	ASSETS			
A	**Non-current assets**			
	a) Property, plant and equipment	5	27,175.68	27,970.78
	b) Intangible assets	6	70.43	55.03
	c) Capital work-in-progress	7	27.34	48.21
	d) Intangible assets under development	8	3.45	-
	e) Investment property	9	1,082.50	1,107.28
	f) Financial assets			
	i) Investments in subsidiaries & joint venture	10	4.00	4.00
	ii) Investments	11	11.02	11.05
	iii) Loans	12	1,859.50	1,769.04
	g) Income tax assets (Net)	13	1,337.48	1,098.64
	h) Other non current assets	14	3,821.74	3,997.23
	(A)		**35,393.14**	**36,061.26**
B	**Current assets**			
	a) Inventories	15	268.34	272.39
	b) Financial assets			
	i) Investments	16	5.25	5.00
	ii) Trade receivables	17	1,110.78	1,436.72
	iii) Cash and cash equivalents	18	283.27	358.59
	iv) Bank balances other than (iii) above	19	157.81	81.12
	v) Loans	20	13.80	8.78
	vi) Other current financial assets	21	14.74	9.92
	c) Other current assets	22	382.00	551.62
	(B)		**2,235.99**	**2,724.14**
	TOTAL (A + B)		**37,629.13**	**38,785.40**
	EQUITY AND LIABILITIES			
A	**Equity**			
	a) Equity share capital	23	2,417.26	2,417.26
	b) Other equity	24	(5,149.28)	(7,660.80)
	(A)		**(2,732.02)**	**(5,243.54)**
	Liabilities			
B	**Non-current liabilities**			
	a) Financial liabilities			
	i) Borrowings	25	24,112.67	14,996.21
	ii) Other financial liabilities	26	110.49	153.91
	b) Other non-current liabilities	27	527.79	602.26
	c) Provisions	28	256.12	204.67
	d) Deferred tax liabilities (Net)	29	2,447.21	1,353.46
	(B)		**27,454.28**	**17,310.51**
C	**Current liabilities**			
	a) Financial liabilities			
	i) Trade payables	30		
	- Amount due to micro and small enterprises		189.81	56.29
	- Amount due to other than micro and small enterprises		1,765.04	1,631.00
	ii) Other financial liabilities	31	8,743.04	22,580.29
	b) Other current liabilities	32	1,888.53	2,177.09
	c) Provisions	33	320.45	273.76
	(C)		**12,906.87**	**26,718.43**
	TOTAL (A+B+C)		**37,629.13**	**38,785.40**
	Significant accounting policies and notes to financial statements	**1 to 56**		

The notes referred to above form an integral part of the standalone financial statements
As per our audit report of even date

For N.A.Shah Associates LLP
Chartered Accountants
Firm Registration No. 116560W/ W100149

Sandeep Shah
Partner
Membership No. 37381

Place: Mumbai
Date: 27th May 2019

For and on behalf of the Board of Directors

Dr. Vithal V. Kamat
Executive Chairman & Managing Director
(DIN : 00195341)

Dinkar D. Jadhav
Director
(DIN : 01809881)

B.C.Kamdar
Director
(DIN : 01972386)

Smita Nanda
Chief Financial Officer

Shailesh Bhaskar
Company Secretary

Place: Mumbai
Date: 27th May 2019

KAMAT HOTELS (INDIA) LIMITED

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

	PARTICULARS	NOTE NO.	YEAR ENDED 31ST MARCH 2019	YEAR ENDED 31ST MARCH 2018
A	**Income**			
	Revenue from operations	34	19,239.08	17,031.51
	Other income	35	180.19	497.10
	Total income (A)		**19,419.27**	**17,528.61**
B	**Expenses**			
	Cost of materials consumed	36	1,760.37	1,669.36
	Employee benefit expenses	37	4,430.89	3,947.00
	Finance costs	38	2,203.26	1,479.94
	Depreciation and amortisation	5, 6 & 8	1,095.82	1,174.13
	Other expenses	39	6,346.68	5,901.62
	Total expenses (B)		**15,837.02**	**14,172.05**
C	**Profit before exceptional items & tax (A - B) (C)**		**3,582.25**	**3,356.56**
	Exceptional item - Income/(expense) - net	40	-	1,751.90
D	**Profit before tax (D)**		**3,582.25**	**5,108.46**
E	**Tax expense:**			
	- Current tax	13	99.87	-
	- Short provision of income tax for earlier years		0.67	8.98
	- Deferred tax charge/ (credit)	29	944.78	1,310.45
	- Deferred tax charge for earlier years		29.97	-
	Total tax expense (E)		**1,075.29**	**1,319.43**
F	**Profit after tax (D - E)(F)**		**2,506.96**	**3,789.03**
G	**Other comprehensive income / (loss)**			
	a) (i) Items not to be reclassified subsequently to Statement of Profit and Loss			
	- Remeasurement of defined benefit plans - gain/(loss)		6.43	(5.57)
	(ii) Income tax relating to items that will be classified to statement of Profit or Loss		(1.87)	1.67
	b) (i) Items that will be reclassified subsequently to statement of Profit and Loss		-	-
	(ii) Income tax relating to items that will be classified to Profit or Loss		-	-
	Other comprehensive income for the year (G)		**4.56**	**(3.90)**
H	**Total comprehensive income for the year (F + G)**		**2,511.52**	**3,785.13**
	Basic and diluted earnings per share	45	**10.63**	**16.07**
	Equity shares [Face value of Rs. 10 each]			
	Significant accounting policies and notes to financial statement	**1 to 56**		

The notes referred to above form an integral part of the standalone financial statements
As per our audit report of even date

For N.A.Shah Associates LLP	For and on behalf of the Board of Directors		
Chartered Accountants			
Firm Registration No. 116560W/ W100149			
Sandeep Shah	**Dr. Vithal V. Kamat**	**Dinkar D. Jadhav**	**B.C.Kamdar**
Partner	Executive Chairman & Managing Director	Director	Director
Membership No. 37381	(DIN : 00195341)	(DIN : 01809881)	(DIN : 01972386)
Place: Mumbai	**Smita Nanda**	**Shailesh Bhaskar**	
Date: 27th May 2019	Chief Financial Officer	Company Secretary	
	Place: Mumbai		
	Date: 27th May 2019		

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

(a) Equity share capital

Particulars	As at 31st March 2019	As at 31st March 2018
Opening balance	2,417.26	2,417.26
Changes in equity share capital during the year	-	-
Closing balance	2,417.26	2,417.26

(b) Other equity

Particulars	Reserves & surplus					OCI*	Total other equity
	Capital Reserve	Capital Redemption Reserve	Securities Premium	Amalgamation Reserve	Retained Earnings	Remeasurement gain/ (loss) of defined benefit plan	
Balance as at 1st April, 2017	13.87	266.50	14,986.74	280.06	(26,940.41)	14.16	(11,379.08)
Profit for the year 2017 - 2018	-	-	-	-	3,789.03	-	3,789.03
Other comprehensive income/ (loss) for the year (net) -2017-2018	-	-	-	-	-	(3.90)	(3.90)
Prior period adjustment (Refer note 24.5)	-	-	-	-	(66.85)	-	(66.85)
Balance as at 31st March 2018	**13.87**	**266.50**	**14,986.74**	**280.06**	**(23,218.23)**	**10.26**	**(7,660.80)**
Profit for the year - 2018 - 2019	-	-	-	-	2,506.96	-	**2,506.96**
Other comprehensive income/ (loss) for the year - 2018-2019	-	-	-	-	-	4.56	**4.56**
Balance as at 31st March 2019	**13.87**	**266.50**	**14,986.74**	**280.06**	**(20,711.27)**	**14.82**	**(5,149.28)**

(Refer note 24)

*Other comprehensive income

As per our audit report of even date

For N.A.Shah Associates LLP
Chartered Accountants
Firm Registration No. 116560W/ W100149

Sandeep Shah
Partner
Membership No. 37381

Place: Mumbai
Date: 27th May 2019

For and on behalf of the Board of Directors

Dr. Vithal V. Kamat
Executive Chairman & Managing Director
(DIN : 00195341)

Dinkar D. Jadhav
Director
(DIN : 01809881)

B.C.Kamdar
Director
(DIN : 01972386)

Smita Nanda
Chief Financial Officer

Shailesh Bhaskar
Company Secretary

Place: Mumbai
Date: 27th May 2019

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

	PARTICULARS	NOTE	YEAR ENDED 31ST MARCH 2019	YEAR ENDED 31ST MARCH 2018
A.	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Profit /(loss) before taxes		3,582.25	5,108.46
	Adjustments for:			
	Finance cost		2,203.26	1,479.94
	Interest income		(97.31)	(259.15)
	Depreciation and amortization		1,095.82	1,174.13
	Bad debts written off		107.88	19.19
	Provision for expected credit loss and advances		37.88	279.97
	Loss on sale/ discard of fixed assets (Including exceptional item of Nil (Previous year: Rs. 95.79 lakhs)		21.38	174.20
	Provision for expected credit loss written back (exceptional item)		-	(280.00)
	Interest provision no longer required written back (exceptional item)		-	(1,567.69)
	Dividend income		(0.43)	(0.43)
	Operating profit / (loss) before working capital changes		**6,950.73**	**6,128.62**
	Movements in working capital : [Including Current and Non-current]			
	(Increase) / decrease in loans, trade receivable and other assets		429.81	5,032.55
	(Increase) / decrease in inventories		4.05	179.21
	Increase / (decrease) in trade payable, other liabilities and provisions		(70.76)	313.75
			7,313.83	**11,654.13**
	Adjustment for:			
	Direct taxes paid (including tax deducted at source)		(212.52)	(37.28)
	Net cash generated/ (used in) from operating activities…(A)		**7,101.31**	**11,616.85**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Purchase of property, plant and equipment (Including capital work in progress and capital advances)		(307.53)	(231.82)
	Sale of property, plant and equipment		12.24	6.05
	Proceeds from sale/ redemption of investment		(0.22)	92.26
	Refund of loan		-	280.00
	Temporary refund received of advance given		430.00	-
	Repayment of temporary refund received		(430.00)	-
	Interest income		92.49	293.49
	Dividend income		0.43	0.43
	(Increase)/decrease in bank balance [Current and non-current] (other than cash and cash equivalent)		(76.69)	(31.93)
			(279.28)	**408.48**
	Adjustment for:			
	Direct taxes (paid)/ refund received (including tax deducted at source) - (Net)		(9.73)	(24.77)
	Net cash (used in) / from investing activities… (B)		**(289.01)**	**383.71**

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

	PARTICULARS	NOTE	YEAR ENDED 31ST MARCH 2019	YEAR ENDED 31ST MARCH 2018
C.	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Proceeds from long term borrowings		2,837.34	10,025.00
	Repayment of long term borrowings		(8,015.59)	(18,018.62)
	Net book overdraft (in excess of cash and cash equivalent) (Refer note (ii) below)		135.74	-
	Interest paid (Including other borrowing cost)		(2,128.38)	(3,916.79)
	Net cash (used in) / from financing activities… (C)		**(7,170.89)**	**(11,910.41)**
	Net increase / (decrease) in cash and cash equivalents (A+ B+C)		**(358.59)**	**90.16**
	Cash and cash equivalents at beginning of the year	18	358.59	268.43
	Cash and cash equivalents at end of the year		-	358.59
	Net increase / (decrease) in cash and cash equivalents		**(358.59)**	**90.16**

Notes:

(i) Cash flow statement has been prepared as per "indirect method" as set out in Ind AS 7 - "Cash Flow Statement".

(ii) Breakup of cash and cash equivalent is as given below:

Particulars	As at 31st March 2019	As at 31st March 2018
Cash and cash equivalent (As per note 18)	283.27	358.59
Less: Bank balance - book overdraft (as per note 31)	419.01	-
Net cash and cash equivalent	**(135.74)**	**358.59**
Less: Cash and cash equivalent shown under financing activity	135.74	-
Net cash and cash equivalent as disclosed in cash flow statement above	**-**	**358.59**

(iii) Refer note 49 for other cash flow statement related notes.

Significant accounting policies and notes to financial statements **1 to 56**

The notes referred to above form an integral part of the standalone financial statements
As per our audit report of even date

For N.A.Shah Associates LLP
Chartered Accountants
Firm Registration No. 116560W/ W100149

Sandeep Shah
Partner
Membership No. 37381

Place: Mumbai
Date: 27th May 2019

For and on behalf of the Board of Directors

Dr. Vithal V. Kamat
Executive Chairman & Managing Director
(DIN : 00195341)

Dinkar D. Jadhav
Director
(DIN : 01809881)

B.C.Kamdar
Director
(DIN : 01972386)

Smita Nanda
Chief Financial Officer

Shailesh Bhaskar
Company Secretary

Place: Mumbai
Date: 27th May 2019

Notes on standalone financial statements for the year ended 31st March 2019

1. Background

The Company was incorporated on 21st March 1986 under Companies Act, 1956 and is domiciled in India. The registered office of the Company is located at 70 – C, Nehru Road, Near Santacruz Airport, Vile Parle (E), Mumbai – 400 099, India. The Company's shares are listed on two stock exchanges in India. The Company is in the hospitality business. Currently, it has hotels in the states of Maharashtra (Mumbai, Pune, Nashik, Murud), Goa (Benaulim) and Orissa (Puri, Konark).

The financial statements of the Company for the year ended 31st March 2019 were approved and adopted by board of directors of the Company in their meeting held on 27th May 2019.

2. Basis of preparation

2.1. Statement of compliance with Ind AS

The financial statements (on standalone basis) of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

2.2. Functional and presentation of currency

The financial statements are prepared in Indian Rupees which is also the Company's functional currency. All amounts are rounded to the nearest rupees in lakhs.

2.3. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal market or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:

Level 1 – Unadjusted quoted price in active markets for identical assets and liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – unobservable inputs for the asset or liability

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy.

Fair values have been determined for measurement and / or disclosure purpose using methods as prescribed in "Ind AS 113 Fair Value Measurement".

2.4. Use of significant accounting estimates, judgements and assumptions

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosure of contingent liabilities as on the date of financial statements and reported amounts of income and expenses for the periods presented. The Company based its assumptions and estimates on parameters available when the financial statements were prepared.Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Significant estimates and critical judgement in applying these accounting policies are described below:

i) Property, plant & equipment, investment property and Intangible assets

The Company has estimated the useful life, residual value and method of depreciation / amortisation of property, plant & equipment, investment property and intangible assets based on its internal technical assessment. Property, plant & equipment, investment property and intangible assets represent a significant proportion of the asset base of the Company. Further, the Company has estimated that scrap value of property, plant & equipment and investment property would be able to cover the residual value & decommissioning costs of property, plant & equipment and investment property.

Therefore, the estimates and assumptions made to determine useful life, residual value, method of depreciation / amortisation and decommissioning costs are critical to the Company's financial position and performance.

ii) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on industry practice, Company's past historyand existing market conditions as well as forward looking estimates at the end of each reporting period.

iii) Contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies / claim / litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

iv) Income taxes

Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore, the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the statement of profit and loss.

v) Measurement of defined benefit plan & other long term benefits

The cost of the defined benefit gratuity plan / other long term benefits and the present value of the gratuity obligation / other long term benefits are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation / other long term benefits is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

vi) Loyalty program

The Company estimates the fair value of points awarded under the Loyalty Programmebased on past experience of use of points by customers and expected usage in future.

vii) Impairment of investment in subsidiaries and joint venture entity

In the opinion of the management, investments/ advances in subsidiaries are considered long term and strategic in nature and in view of future business growth / asset base, the value of long term investments and loan & advances given are considered good except in case of a subsidiary and joint venture, considering adverse factors which have severely affected its financial position and expansion plans, on a consideration of prudence, provision has been made for impairment of investment/ advances.

viii) Going concern

Company's accumulated losses are in excess of its paid up capital and reserves and its current liabilities exceeds its current assets as on 31st March 2019.Further, in respect of loans, there are delays in repayment of principal and overdue instalments as at 31st March 2019.Company's management is taking appropriate steps to mitigate the impact of accumulated losses and improve cash flows and in the opinion of management, the fair values of the assets of the Company are significantly higher than the debts. Management has also arranged additional funds in the Company by way of term loan from bank.In view of the above and considering management's opinion, the standalone Ind AS financial statements have been prepared on a going concern basis.

ix) Impairment of non-financial assets

The carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of a) fair value of assets less cost of disposal and b) its value in use. Value in use is the present value of future cash flows expected to derive from an assets or Cash-Generating Unit (CGU).

Based on the assessment done at each balance sheet date, recognised impairment loss is further provided or reversed depending on changes in circumstances. After recognition of impairment loss or reversal of impairment loss as applicable, the depreciation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life. If the conditions leading to recognition of impairment losses no longer exist or have decreased, impairment losses recognised are reversed to the extent it does not exceed the carrying amount that would have been determined after considering depreciation / amortisation had no impairment loss been recognised in earlier years.

x) Corporate guarantee:

The Company has given corporate guarantee on behalf of subsidiary and joint venture entity towards loan facilities from banks. This subsidiary and joint venture entity has also given corporate guarantee on behalf of the Company for loan facilities taken by the Company. With respect to subsidiary company, in view of the financial condition of the Company and ongoing discussion with the lenders of the subsidiary, in view of the management estimate, no liability would arise on the Companyon account of this guarantee. With respect to the joint venture entity (JV), considering settlement of loan of the lender and expected improvement in financial position of the JV, it would be able to refinance the outstanding debt and meet the debt obligations as and when they fall due.

Hence the financial guarantee obligation is not required to be recognised in financial statements and it has been disclosed as contingent liability (Also refer note 41.3(ii)).

3. Significant Accounting Policies

3.1. Presentation and disclosure of standalone financial statement

All assets and liabilities have been classified as current and non-current as per Company's normal operating cycle and other criteria set out in the division II of Schedule III of the Companies Act, 2013 for a company whose financial statements are made in compliance with the Companies (India Accounting Standards) Rules, 2015.

Based on the nature of service i.e. hospitality and the time between rendering of services and their realization in cash and cash equivalents, 12 months has been considered by the Company for the purpose of current / non-current classification of assets and liabilities.

3.2. Property, Plant and Equipment and Depreciation

Recognition and measurement

Properties plant and equipment are stated at their cost of acquisition. Cost of an item of property, plant and equipment includes purchase price including non-refundable taxes and duties, borrowing cost directly attributable to the qualifying asset, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and the present value of the expected cost for the dismantling/decommissioning of the asset.

Parts (major components) of an item of property, plant and equipmentshaving different useful livesare accounted as separate items of property, plant and equipments.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Capital work-in-progress comprises of cost incurred on property, plant and equipment under construction / acquisition that are not yet ready for their intended use at the Balance Sheet Date.

Depreciation and useful lives

Depreciation on the property, plant and equipment (other than freehold land and capital work in progress) is provided on a straight-line method (SLM) over their useful lives which is in consonance of useful life mentioned in Schedule II to the Companies Act, 2013.

Building on leasehold lands and improvements to building on leasehold land / premises are amortized over the period of lease or useful life whichever is lower.

Leasehold land considered as finance lease is amortized over the period of lease.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted prospectively.

De-recognition

An item of property, plant and equipment and any significant part initially recognisedis de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is de-recognised.

3.3. Intangible assets and amortisation

Recognition and measurement

Intangible assets are recognized only if it is probable that the future economic benefits attributable to asset will flow to the Company and the cost of asset can be measured reliably. Intangible assets are stated at cost of acquisition/development less accumulated amortization and accumulated impairment loss if any.

Cost of an intangible asset includes purchase price including non - refundable taxes and duties, borrowing cost directly attributable to the qualifying asset and any directly attributable expenditure on making the asset ready for its intended use.

Intangible assets under development comprises of cost incurred on intangible assets under development that are not yet ready for their intended use as at the Balance Sheet date.

Amortization and useful lives

Computer softwares are amortized in 10 years on straight line basis. Amortisation methods and useful lives are reviewed at each financial year end and adjusted prospectively.In case of assets purchased during the year, amortization on such assets is calculated on pro-rata basis from the date of such addition.

Balance useful life of intangible are reviewed periodically, including at each financial year end.

3.4. Investment property and depreciation

Investment Property is property (land or a building – or a part of a building – or both) held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in production or supply of goods and services or for administrative purposes. Investment properties are stated at cost net of accumulated depreciation and accumulated impairment losses, if any.

Any gain or loss on disposal of investment property calculated as the difference between net proceeds from disposal and the carrying amount of Investment Property is recognized in Statement of Profit and Loss.

Depreciation and useful lives

Depreciation on the investment property (other than freehold land) is provided on a straight-line method (SLM) over their useful lives which are in consonance of useful life mentioned in Schedule II to the Companies Act, 2013.

Building on leasehold lands and improvements to building on leasehold land / premises are amortized over the period of lease or useful life whichever is lower.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted prospectively.

3.5. Inventories

Inventories comprises of stock of food, beverages, stores and operating supplies and are valued at lower of cost (computed on weighted average basis) or net realizable value. Purchase of operating supplies (other than initial acquisition during the pre-commencement of the hotel and commencement of new restaurants / outlets) is charged to statement of profit and loss in the year of consumptions. The Cost comprises of cost of purchases, duties and taxes (other than those subsequently recoverable) and other costs incurred in bringing them to their present location and condition. Cost of inventories is arrived at after providing for cost of obsolescence.

3.6. Revenue recognition

On transition to Ind AS, in the FY 2017-2018 revenue was recognized based on Ind AS 18 – Revenue. Effective from 1st April 2018, Ind AS 115, “Revenue from Contracts with Customers” has replaced Ind AS 18. Company has adoptedInd AS 115 from 1st April 2018.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government and discounts given to the customers.

(i) Revenue comprises of sale of rooms, banquets, food & beverages and allied services relating to hotel operations. Revenue is recognised upon rendering of service. Sales and services net of indirect taxes and discounts. Revenue yet to be billed is recognised as unbilled revenue.

(ii) Initial non-refundable membership fee is recognised as income over the period of validity of membership which reflects the expected utilization of membership benefits.

(iii) Annual membership fees collected from members [in respect of both under refundable and non-refundable membership scheme] are recognised as income on time proportion basis.

(iv) Management fees under hotel management arrangement are recognised in accordance with terms of the arrangement.

(v) The Company operates loyalty programme, which allows its eligible customers to earn points based on their spending at the hotels. The points so earned by such customers are accumulated. The revenues allocated to award points is deferred and revenue is recognisedon redemption of the award points towards the services utilized.

(vi) Dividend income on investments is accounted for in the year in which the right to receive is established, which is generally when shareholders approve the dividend.

(vii) For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the statement of profit and loss.

(viii) Income from rentals are recognized as an income in the statement of profit and loss on a straight-line basis over the lease term except where scheduled increase in rent compensates the Company with expected inflationary costs.

(ix) Export incentives / benefits

- o Export incentives / benefits are recognised as income in Standalone Statement of Profit and Loss when the right to receive payment/credit is established and no significant uncertainty as to measurability or collectability exists.

3.7. Investment in subsidiaries, associates and jointly controlled entities

The Company’s investment in instruments of subsidiaries, associates and jointly controlled entities are accounted for at cost.

3.8. Government grants

Government grants are recognized in the period to which they relate when there is reasonable assurance that the grant will be received and that the Company will comply with the attached conditions. Government grants are recognized in the statement of profit and loss on systematic basis over a period in which the Company recognizes as expenses the related costs for which the grants are intended to compensate.

3.9. Foreign currency transaction

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. As at the Balance Sheet date, foreign currency monetary items are translated at closing exchange rate. Exchange difference arising on settlement or translation of foreign currency monetary items are recognised as income or expense in the year in which they arise.

Foreign currency non-monetary items which are carried at historical costare reported using the exchange rate at the date of transactions.

3.10. Employee benefits

- Short term employee benefits

  All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss in the period in which the employee renders the related service.

- Post-employment benefits& other long term benefits

  a. Defined contribution plan

     The defined contribution plan is a post-employment benefit plan under which the Company contributes fixed contribution to a Government Administered Fund and will have no obligation to pay further contribution. The Company's defined contribution plan comprises of Provident Fund, Labour Welfare Fund and Employee State Insurance Scheme. The Company's contribution to defined contribution plans are recognized in the Statement of Profit and Loss in the period in which the employee renders the related service.

  b. Post-employment benefitand other long term benefits

     The Company has defined benefit plans comprising of gratuity and other long term benefits in the form of leave benefits and long service rewards. Company's obligation towards gratuity liability is funded plan and is managed by Life Insurance Corporation of India (LIC). The present value of the defined benefit obligations and certain other long term employee benefits [privilege leave and sick leave] is determined based on actuarial valuation using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations.

     For gratuity plan, re-measurements comprising of (a) actuarial gains and losses, (b) the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and (c) the return on plan assets (excluding amounts included in net interest on the post-employment benefits liability) are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Such re-measurements are not reclassified to statement of profit and loss in subsequent periods.

     The expected return on plan assets is the Company's expectation of average long-term rate of return on the investment of the fund over the entire life of the related obligation. Plan assets are measured at fair value as at the Balance Sheet date.

     Gains or losses on the curtailment or settlement of defined benefit plan are recognised when the curtailment or settlement occurs.

     Actuarial gains or losses arising on account of experience adjustment and the effect of changes in actuarial assumptions for other employee benefit plan [other than gratuity] are recognized immediately in the Statement of Profit and Loss as income or expense.

     The cost of providing benefit under long service awards scheme is determined on the basis ofestimated average cost of providing service and calculated arithmetically considering materiality.

3.11. Borrowing cost

Borrowing costs (net of interest income on temporary investments) that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the respective asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Ancillary cost of borrowings in respect of loans not disbursed are carried forward and accounted as borrowing cost in the year of disbursement of loan. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest expenses calculated as per effective interest method, exchange difference arising from foreign currency borrowings to the extent they are treated as an adjustment to the borrowing cost and other costs that an entity incurs in connection with the borrowing of funds.

3.12. Leases

The Company determines whether an arrangement contains a lease by assessing whether the fulfillment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to use that asset to the Company in return for payment. Where this occurs, the arrangement is deemed to include a lease and is accounted for either as finance or operating lease. Leases are classified as finance leases where the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Where Company is lessee

Operatinglease - Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where scheduled increase in rent compensates the Company with expected inflationary costs. Payment for leasehold land is amortised over the period of lease or useful life whichever is lower.

Finance lease – Finance leases are capitalised at the commencement of lease, at the lower of the fair value of the property or the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the statement of profit and loss over the period of the lease.

Where Company is lessor

Assets given on leases where a significant portion of risk and rewards of ownership are retained by the Company are classified as operating leases. Lease rental income are recognised in the Statement of Profit and Loss on straight-line basis except where scheduled increase in rent compensate the lessor for expected inflationary costs.

3.13. Taxes on income

Tax expenses for the year comprises of current tax, deferred tax charge or credit and adjustments of taxes for earlier years. In respect of amounts adjusted outside profit or loss (i.e. in other comprehensive income or equity), the corresponding tax effect, if any, is also adjusted outside profit or loss.

Provision for current tax is made as per the provisions of Income Tax Act, 1961.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, and deferred tax assets are recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which such deferred tax assets can be utilized. In situations where the Company has unused tax losses and unused tax credits, deferred tax assets are recognised only if it is probable that they can be utilized against future taxable profits. Deferred tax assets are reviewed for the appropriateness of their respective carrying amounts at each Balance Sheet date.

Minimum Alternative Tax (“MAT”) credit is recognised as an asset only when and to theextent it is probable that the Company will pay normal income tax during the specified period.

At each reporting date, the Company re-assesses unrecognised deferred tax assets. It recognises previously unrecognised deferred tax assets to the extent that it has become probable that future taxable profit allow deferred tax assets to be recovered.

3.14. Cash and cash equivalent

Cash and cash equivalents include cash in hand, bank balances, deposits with banks (other than on lien) and all short term and highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

For the purpose of cash flow statement, cash and cash equivalent as calculated above also includes outstanding bank overdrafts as they are considered an integral part of the Company’s cash management.

3.15. Cashflow statement

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

3.16. Provisions, contingent liabilities,contingent assets

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

The Company does not recognize a contingent asset but discloses its existence in the financial statements if the inflow of economic benefits is probable. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

3.17. Earnings per share

Basic earnings per share is computed using the net profit for the year attributable to the shareholders’ and weighted average number of shares outstanding during the year. The weighted average numbers of shares also includes fixed number of equity shares that are issuable on conversion of compulsorily convertible preference shares, debentures or any other instrument, from the date consideration is receivable (generally the date of their issue) of such instruments.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholder’ and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

3.18. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.18.1.Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the “Other income” line item.

Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the ‘Reserve for equity instruments through other comprehensive income’. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- It has been acquired principally for the purpose of selling it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument or a financial guarantee. Dividends on these investments in equity instruments are recognised in profit or loss when the Company’s right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss are included in the ‘Other income’ line item.

Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the ‘Other income’ line item. Dividend on financial assets at FVTPL is recognised when the Company’s right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model based on ‘simplified approach’ for the financial assets which are not fair valuedthrough profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equalto lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the twelve month ECL, unlessthere has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amountof expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required tobe recognized is recognized as an impairment gain or loss in statement of profit and loss.

De-recognition of financial asset

The Company de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and alsorecognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On de-recognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer.The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognisedon the basis of the relative fair values of those parts.

3.18.2.Financial liability and equity instrument

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for de-recognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in profit or loss.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability or (where appropriate) a shorter period, to the gross carrying amount on initial recognition.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

Commitments to provide a loan at a below-market interest rate

Commitments to provide a loan at a below-market interest rate are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

Compound financial instruments

The liability component of a compound financial instrument is recognised initially at fair value of a similar liability that does not have an equity component. The equity component is recognised initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and the equity components, if material, in proportion to their initial carrying amounts.

Subsequent to the initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest rate method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Reclassification

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

De-recognition of financial liabilities

The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in profit or loss.

4. New standards

4.1. New Accounting standards adopted by the Company:

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the Company's financial statements for the year ended 31st March 2018, except for the adoption of amendments and interpretations effective as of April 1, 2018.

Ind AS 115 – Revenue from contract with customers

On 1st April 2018, Company adopted Ind AS 115, "Revenue from Contracts with Customers". The adoption of the new standard did not have impact on recognition of revenue during the year as well as previous year.

4.2. New standard issued/existing standards modified but not effective and hence not adopted:

The following standards issued/modified by MCA becomes effective w.e.f. 1st April 2019

Particulars	**Effective date**
New standard issued*	
Ind AS 116 – Leases	1st April 2019
Modification to existing Ind AS *	
Ind AS 12 – Income taxes [Uncertainty over Income tax Treatment]	1st April 2019
Ind AS 109– Financial Instruments	1st April 2019
Ind AS 28 – Investment in Associate and Joint Venture	1st April 2019
Ind AS 111– Joint Arrangements&Ind AS 103 – Business Combination	1st April 2019
Ind AS 19 –Employee Benefits	1st April 2019
Ind AS 23 – Borrowing Costs	1st April 2019
Standard omitted and replaced by Ind AS 116.	
Ind AS 17– Leases	

* Does not include modification to existing other Ind AS due to issue of new Ind AS.

Ind AS 116 – Leases

MCA has issued Ind AS 116 – 'Leases' which is effective from 1st April 2019. Ind AS 116 will replace the existing leases standard, Ind AS 17 – Leases. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both the lessee and the lessor. Company is evaluating the impact of this revised standard on its financials.

Ind AS 12 – Income taxes [Change related uncertainty over income tax treatments]

Company does not have any significant uncertainty related to income tax matters.

Ind AS 12 Income Taxes [Clarification for recognition of income tax consequences of dividends in profit or loss]

Company does not expect any impact of the changes made in the existing standard related recognition of income tax consequences of dividends in profit or loss.

Ind AS 109 – Financial Instruments[Prepayment Features with Negative Compensation]

Company does not have any significant impact of changes made in this existing standard.

Ind AS 28- Investment in Associate and Joint Venture

Amendment in Ind AS 28 wherein it is clarified that Ind AS 109 to Financial Instruments to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. Company does not have any long-term interests in associates and joint ventures to which equity method is not applied.

Ind AS 103 Business Combinations and Ind AS 111 Joint Arrangements [Clarification in relation to obtaining control of a business that is joint operation]

Company will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

Ind AS 19 – Employee Benefits [Clarification related to plan amendment, curtailment or settlement]

Amendments to Ind AS 19 to clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the remeasurement are determined using the assumptions used for the remeasurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. Company does not expect this amendment to have any significant impact on its financial statements**.**

Ind AS 23 Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. Company does not expect any impact from this pronouncement.

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

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Property, plant and equipment	Freehold Land	Leasehold Land (Financial lease)	Building	Leasehold Improvements (Refer note 5.2)	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Total
Gross carrying value as at 1st April, 2017	2,561.08	361.82	6,512.10	18,759.40	1,856.12	203.15	25.64	47.74	30,327.05
Additions during the year 2017-2018	-	-	-	10.23	137.47	26.19	-	11.80	185.69
Deletions during the year 2017-2018	-	-	0.74	114.83	124.10	6.64	4.17	1.03	251.51
Balance as at 31st March, 2018	**2,561.08**	**361.82**	**6,511.36**	**18,654.80**	**1,869.49**	**222.70**	**21.47**	**58.51**	**30,261.23**
Additions during the year 2018-2019	-	-	-	63.31	189.58	21.94	8.48	16.69	300.00
Deletions during the year 2018-2019	-	-	-	13.30	18.15	2.76	0.54	0.01	34.76
Balance as at 31st March,2019	**2,561.08**	**361.82**	**6,511.36**	**18,704.81**	**2,040.92**	**241.88**	**29.41**	**75.19**	**30,526.47**
Accumulated depreciation	-	9.83	149.64	708.57	289.81	48.18	3.55	11.76	1,221.34
Additions during the year 2017-2018	-	9.83	135.89	684.10	257.69	37.16	2.86	13.51	1,141.04
Deletions during the year 2017-2018	-	-	0.02	21.28	45.72	4.14	0.39	0.38	71.93
Balance as at 31st March, 2018	**-**	**19.66**	**285.51**	**1,371.39**	**501.78**	**81.20**	**6.02**	**24.89**	**2,290.45**
Additions during the year 2018-2019	-	5.88	132.89	648.27	218.57	39.28	3.42	13.42	1,061.73
Deletions during the year 2018-2019	-	-	-	0.45	0.94	-	-	-	1.39
Balance as at 31st March,2019	**-**	**25.54**	**418.40**	**2,019.21**	**719.41**	**120.48**	**9.44**	**38.31**	**3,350.79**
Net carrying amount									
Balance as at 31st March, 2018	2,561.08	342.16	6,225.85	17,283.41	1,367.71	141.50	15.45	33.62	27,970.78
Balance as at 31st March, 2019	**2,561.08**	**336.28**	**6,092.96**	**16,685.60**	**1,321.51**	**121.40**	**19.97**	**36.88**	**27,175.68**

Notes:

5.1 For details of assets given as security, refer note 25.1.

5.2 The leasehold improvements are constructed on land taken under operating lease.

6

Other intangible assets	Software	Total
Gross carrying value as at 1st April, 2017	36.10	36.10
Additions during the year 2017-2018	32.24	32.24
Deletions during the year 2017-2018	5.32	5.32
Balance as at 31st March, 2018	**63.02**	**63.02**
Additions during the year 2018-2019	24.95	24.95
Deletions during the year 2018-2019	0.34	0.34
Balance as at 31st March,2019	**87.63**	**87.63**
Accumulated depreciation	4.55	4.55
Additions during the year 2017-2018	8.09	8.09
Deletions during the year 2017-2018	4.65	4.65
Balance as at 31st March, 2018	**7.99**	**7.99**
Additions during the year 2018-2019	9.30	9.30
Deletions during the year 2018-2019	0.09	0.09
Balance as at 31st March,2019	**17.20**	**17.20**
Net carrying amount		
Balance as at 31st March, 2018	55.03	55.03
Balance as at 31st March, 2019	**70.43**	**70.43**

6.1 Software is other than internally generated software.

6.2 Balance useful life of intangible as at 31st March 2019 is 1 to 9 years (Previous year: 1 to 9 years).

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

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Capital work in progress	As at 31st March 2019	As at 31st March 2018
Opening balance	48.21	23.21
Add: Additions during the year	235.68	48.21
Less: Capitalised during the year	256.55	23.21
Closing balance	**27.34**	**48.21**

8

Intangible asset under development	As at 31st March 2019	As at 31st March 2018
Opening balance	-	11.12
Add: Additions during the year	28.40	-
Less: Capitalised during the year	24.95	1.60
Less: Written off	-	9.52
Closing balance	**3.45**	**-**

9

Investment property	Freehold Land	Building	Building on leasehold land (Refer note 9.4)	Total
Gross carrying value as at 1st April, 2017	178.09	28.34	950.85	1,157.28
Additions during the year 2017-2018	-	-	-	-
Deletions during the year 2017-2018	-	-	-	-
Balance as at 31st March, 2018	**178.09**	**28.34**	**950.85**	**1,157.28**
Additions during the year 2018-2019	-	-	-	-
Deletions during the year 2018-2019	-	-	-	-
Balance as at 31st March, 2019	**178.09**	**28.34**	**950.85**	**1,157.28**
Accumulated depreciation	-	0.51	24.49	25.00
Additions during the year 2017-2018	-	0.51	24.49	25.00
Deletions during the year 2017-2018	-	-	-	-
Balance as at 31st March, 2018	**-**	**1.02**	**48.98**	**50.00**
Additions during the year 2018-2019	-	0.51	24.27	24.78
Deletions during the year 2018-2019	-	-	-	-
Balance as at 31st March,2019	**-**	**1.53**	**73.25**	**74.78**
Net carrying amount				
Balance as at 31st March, 2018	178.09	27.32	901.87	1,107.28
Balance as at 31st March, 2019	**178.09**	**26.81**	**877.60**	**1,082.50**

9.1 Depreciation is provided on investment property based on useful life on Straight Line Method [Also refer note 3.4].

9.2 Cost of freehold land includes Rs. 134.40 lakhs as at 31st March 2019 (Previous year: Rs. 134.40 lakhs) which is in the name of the 'Chairman and managing director' of the Company.

9.3 For details of assets given as security, refer note 25.1.

9.4 The leasehold improvements are constructed on land taken under cancellable operating lease.

9.5 Amount recognized in Statement of Profit and Loss for investment properties:

Particulars	31st March 2019	31st March 2018
Rental income derived from investment property (Refer note 9.6)	40.24	44.58
Direct operating expenses (including repairs and maintenance) generating rental income	18.39	17.71
Direct operating expenses (including repairs and maintenance) that did not generate rental income	4.72	5.41
Profit from leasing of investment properties before depreciation	**17.13**	**21.46**
Less: Depreciation expenses	24.78	25.00
(Loss) from leasing of investment properties after depreciation	**(7.65)**	**(3.54)**

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

9.6 Leasing arrangement

Certain investment properties are leased to tenants under cancellable/ non-cancellable operating leases with rentals payable monthly. Refer note 47 (a) for details on future minimum lease rentals.

9.7 Fair value

Particulars	As at 31st March 2019	As at 31st March 2018
Fair value of investment properties	1,415.07	1,461.88

9.8 The Company's investment properties consist of land situated at Nagpur, Kottayam (Kerala), Baddi (Himachal Pradesh) and office building in Mumbai. The best evidence of fair value is current prices in an active market for similar properties. Company has considered ready reckoner rates as the main input for valuation of these investment properties. All resulting fair value estimates for investment properties are included in Level 2.

10

Investments in subsidiaries and joint ventures (At cost)	As at 31st March 2019	As at 31st March 2018
Investment in equity instruments (fully paid)		
Unquoted		
Investment in wholly owned subsidiaries		
Orchid Hotels Pune Private Limited (OHPPL) 1,17,64,706 equity shares (31st March, 2018 1,17,64,706) of Rs. 10 each	9,327.75	9,327.75
Less: Impairment in value of investment (Refer note 10.1 and 10.3)	9,327.75	9,327.75
	-	-
Fort Jadhavgadh Hotels Private Limited 10,000 equity shares (Previous year: 10,000) of Rs. 10 each	1.00	1.00
Orchid Hotels Eastern (India) Private Ltd [formerly known has Green Dot Restaurants Private Limited] 10,000 equity shares (Previous year: 10,000) of Rs. 10 each	1.00	1.00
Mahodadhi Palace Private Limited 10,000 equity shares (Previous year: 10,000) of Rs. 10 each	1.00	1.00
Kamat Restaurants (India) Private Limited	1.00	1.00
10,000 equity shares (Previous year: 10,000) of Rs. 10 each		
Investments in Joint Venture		
Ilex Developers and Resorts Limited 2,66,500 equity shares (Previous year: 2,66,500) of Rs. 10 each	533.00	533.00
Less: Impairment in value of investment (Refer note 10.2)	533.00	533.00
Total	**4.00**	**4.00**
Aggregate cost of unquoted investment	9,864.75	9,864.75
Aggregate amount of impairment in value of investments	9,860.75	9,860.75

10.1 The Company has made a strategic and long term investment of Rs. 9,327.75 lakhs in the shares of Orchid Hotels Pune Private Limited (OHPPL), a wholly owned subsidiary of the Company in earlier years. Further, a loan of Rs. 19,646.40 lakhs was granted to OHPPL in earlier years. This subsidiary has been declared as non-performing asset by its lender due to defaults in paying the loan dues. This subsidiary is also facing other adverse factors which have severely affected its financial position. Considering these adverse factors, in the earlier years the Company had made a provision for impairment of investment and loan outstanding from the subsidiary.

In view of various adverse factors and request made to the Company by the subsidiary for waiver of interest on the loan, Company had waived off interest on this unsecured loan granted until there is improvement in the financial position of this entity. This waiver is effective from 1st January, 2014 and continued in current financial year.

10.2 The Company had made a strategic and long term investment of Rs. 533.00 lakhs (Previous year: Rs.533.00 lakhs) in earlier years in the equity shares of Ilex Developers & Resorts Limited (Ilex), a 32.92% joint venture of the Company. In the earlier years, the Company had made full provision for impairment of investment based on assessment carried out by the management.

10.3 Out of Company's investment in equity shares of OHPPL, 57,64,701 equity shares as on 31st March 2019 (Previous year: Rs. 57,64,701) have been pledged by the Company to lenders as a security for loans taken by the Company and 35,29,411 equity shares have been pledged by the Company to lenders as a security for loan taken by the Subsidiary Company.

10.4 Company's investment in equity shares of wholly owned subsidiaries [Kamats Restaurants (India) Private Limited, Fort Jadhavgadh Hotels Private Limited and Mahodadhi Palace Private Limited] and equity shares held in joint venture entity [ILEX Developers and Resorts Limited] is given as security for loan facilities availed by the Company [Also refer note 25.1(a)].

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

11	**Investments - non-current**	**As at 31st March 2019**	**As at 31st March 2018**
	(a) Investment measured at Fair Value Through Profit or Loss		
	Investment in equity instruments		
	Quoted		
	Royal Orchid Hotels Limited 50 equity shares (Previous year: 50) of Rs 10 each	0.06	0.08
	Unquoted		
	The Satara Sahakari Bank Limited 10,010 equity shares (Previous year: 10,010) of Rs. 50 each	10.96	10.96
	Total FVTPL investments	**11.02**	**11.05**
	Total	**11.02**	**11.05**
	Aggregate cost of quoted investments	0.03	0.03
	Aggregate amount of unquoted investments	10.96	10.96
	Market value of quoted investments	0.06	0.08
	Aggregate amount of impairment in value of investments	-	-

12	**Loans - Non current** (Unsecured, considered good unless otherwise stated)	**As at 31st March 2019**	**As at 31st March 2018**
	Security deposits		
	- Related Party (Refer note 12.1 and 43)	1,722.55	1,632.51
	- Others	136.95	136.53
	Loans to subsidiaries (considered doubtful)	20,065.14	20,065.14
	Less: Impairment of advance given (Refer note 10.1 and 12.2)	20,065.14	20,065.14
		-	-
	Inter corporate deposit (considered doubtful)	200.00	200.00
	Less: Impairment of advance given (Refer note 10.2)	200.00	200.00
		-	-
	Total	**1,859.50**	**1,769.04**

12.1 Security deposit paid having carrying value of Rs. 8,000 lakhs as at 31st March 2019 (Previous year: Rs.8,000 lakhs) is interest free and is given for leasehold land taken to Plaza Hotels Private Limited in which director of the Company is also member. This deposit has been fair valued in acccordance with Ind AS 109 - Financial Instrument.

12.2 Loan to subsidiaries include outstanding loan of Rs. 418.74 lakhs (Previous year: Rs. 418.74 lakhs) given to Mahodadhi Palace Private Limited (MPPL). This subsidiary is facing adverse factors which have severely affected its financial position. Considering these adverse factors, in the earlier years the Company had made a provision of Rs. 418.74 lakhs for doubtful of recovery from this subsidiary. In the previous year, Company had received partial repayment of outstanding loan of Rs. 280.00 lakhs which had been written back.

Further, in view of various adverse factors and request made to holding company by MPPL for waiver of interest, Company has waived off interest on this unsecured loan granted until there is improvement in the financial position of this entity. Considering there is no improvement in current year also, interest is continued to be waived in current year. This waiver is effective from 28th February 2017. Accordingly, no interest is charged by the Company on the outstanding loan.

13	**Income tax assets (net)**	**As at 31st March 2019**	**As at 31st March 2018**
	Income tax (net)	1,337.48	1,098.64
	Total	**1,337.48**	**1,098.64**

14	**Other non current assets** (Unsecured, considered good unless otherwise stated)	**As at 31st March 2019**	**As at 31st March 2018**
	Capital advances	188.65	188.65
	Less: Impairment of advance given	188.65	188.65
		-	-
	Others advances (Refer Note 14.1)	488.62	488.62
	Less: Impairment of advance given	488.62	488.62
		-	-
	Deferred advance rentals	3,813.36	3,976.25
	Prepaid expenses	8.38	20.98
	Total	**3,821.74**	**3,997.23**

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

14.1 In terms of the Memorandum of Understanding with a Public Trust owning a plot of land in Mumbai, the Company had paid Rs. 488.62 lakhs as security deposit and incurred expenditure of Rs. 207.93 lakhs for a proposed hospitality project on the said land in earlier years. The owner did not fulfil his obligation to complete the infrastructure for the aforesaid project despite follow up by the Company. In view of inordinate delay in the projects, the expenditure incurred on the said incomplete project had been written off in earlier years and a provision had been made in the earlier years for the deposit paid to the said party. Company has initiated legal proceedings against the party and other party has also made counter claim for compensation and interest thereon. The matter is pending to be resolved. Adjustments, if any, to the expenditure written off and provision made as above, will be made on disposal / conclusion of the above matter in the year in which matter is settled.

15	**Inventories** (At lower of cost or net realisable value)	**As at 31st March 2019**	**As at 31st March 2018**
	Food and beverages	139.35	175.06
	Stores and operating supplies	128.99	97.33
	Total	**268.34**	**272.39**

16	**Current investments**	**As at 31st March 2019**	**As at 31st March 2018**
	Investment measured at Amortised Cost		
	Unquoted		
	50,000 (Previous year: 50,000) units of SBI PSU FUND- of Rs.10 each	5.25	5.00
	Total	**5.25**	**5.00**
	Aggregate cost of unquoted investments	5.00	5.00
	Net asset value unquoted investments	5.25	5.54
	Aggregate amount of impairment in value of investments	-	-

17	**Trade receivable** (Unsecured considered good, unless otherwise stated)	**As at 31st March 2019**	**As at 31st March 2018**
	-Considered good	1,110.78	1,436.72
	-Considered doubtful	1,461.96	1,493.62
	Sub-total	**2,572.74**	**2,930.34**
	Less: Allowance for expected credit loss*	1,461.96	1,493.62
	Total	**1,110.78**	**1,436.72**

*The Company recognizes loss allowances using the expected credit loss (ECL) model based on 'simplified approach'. Considering same there are trade receivable having significant credit risk [Also refer note 3.18.1 and 55(a)(ii)].

17.1 Trade receivable includes receivable from related parties as given below. This included amount of Rs. 30.68 lakhs (Previous year: Rs. 12.27 lakhs) from entitities in which director of the Company is also director.

Particulars	**As at 31st March 2019**	**As at 31st March 2018**
From related parties (Refer note 43)		
Orchid Hotel Pune Private Limited	18.58	-
Ilex Developers & Resorts Limited	9.72	7.39
Treeo Resorts Private Limited	2.38	4.88
Total	**30.68**	**12.27**

18	**Cash and cash equivalent**	**As at 31st March 2019**	**As at 31st March 2018**
	Balances with bank		
	- In current accounts	257.45	196.08
	- Cheques in hand	-	143.74
	- Cash in hand	25.82	18.77
	Total	**283.27**	**358.59**

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

19	**Other bank balance**	**As at 31st March 2019**	**As at 31st March 2018**
	Margin money in fixed deposits with banks (Refer note 19.1)	129.76	81.12
	Balance in Bank - Escrow Account (Refer note 19.2)	28.05	-
	Total	**157.81**	**81.12**

19.1 Fixed deposit is given as margin money to the Bank for guarantee given by bank to Government and other authorities on behalf of the Company.

19.2 Balance with bank (escrow account) is maintained for servicing monthly installments of term loan taken.

20	**Loans - current** (Unsecured considered good, unless otherwise stated)	**As at 31st March 2019**	**As at 31st March 2018**
	Security deposit	13.80	7.20
	Loans and advances to subsidiaries	-	0.14
	Loans and advances to employees	-	1.44
	Total	**13.80**	**8.78**

21	**Other current financial assets** (Unsecured, considered good unless otherwise stated)	**As at 31st March 2019**	**As at 31st March 2018**
	Interest receivable from:		
	- Wholly owned subsidiary on loans and advances (Refer note 43.3)	3.62	3.62
	- on bank deposits and Investments	11.12	6.30
	Total	**14.74**	**9.92**

22	**Other current assets** (Unsecured, considered good unless otherwise stated)	**As at 31st March 2019**	**As at 31st March 2018**
	Advances to vendors	88.34	349.12
	Balances with Government authorities	98.66	30.24
	Prepaid expenses	195.00	172.26
	Total	**382.00**	**551.62**

23	**Share capital**	**As at 31st March 2019**	**As at 31st March 2018**
	Authorised capital		
	34,250,000 (Previous year: 34,250,000) Equity Shares of Rs.10 each.	3,425.00	3,425.00
	Total	**3,425.00**	**3,425.00**
	Issued, subscribed and paid-up		
	23,584,058 (Previous year: 23,584,058) Equity Shares of Rs.10 each, fully paid up	2,358.41	2,358.41
	Add: 862,500 Forfeited equity shares (Previous year: 862,500) (amounts originally paid up).	58.85	58.85
	Total	**2,417.26**	**2,417.26**

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

23.1 Terms/ rights attached to equity shares :

The Company has only one class of shares referred to as equity shares having a par value of Rs. 10. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, there are no preferential amounts inter se equity shareholders. The distribution will be in proportion to the number of equity shares held by the shareholders (after due adjustment in case shares are not fully paid up).

23.2 Reconciliation of the number of shares outstanding is set out below:

Particulars	31st March 2019		31st March 2018	
	Number of Shares	Amount	Number of Shares	Amount
Number of shares at the beginning of the year	235,84,058	2,358.41	235,84,058	2,358.41
Add: Shares issued during the year	-	-	-	-
Less: Buyback during the year	-	-	-	-
Number of shares at the year end	235,84,058	2,358.41	235,84,058	2,358.41

23.3 Details of shareholders holding more than 5 % shares

Particulars	31st March 2019		As at 31st March 2018	
	Number of shares	% held	Number of shares	% held
Kamat Holdings Private Limited *	15,00,000	6.36	15,00,000	6.36
Plaza Hotels Private Limited	35,35,545	14.99	35,35,545	14.99
Indira Investments Private Limited *	15,63,794	6.63	15,63,794	6.63
Dr. Vithal V. Kamat	32,54,990	13.80	32,54,990	13.80

* These entities have merged with Vishal Amusement Limited with effect from 16th May, 2018. Transfer formalities are in progress.

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Other equity	As at 31st March 2019	As at 31st March 2018
Capital reserve (Refer Note 24.1)		
As per last Balance sheet	13.87	13.87
Capital redemption reserve (Refer Note 24.2)		
As per last Balance sheet	266.50	266.50
Securities premium (Refer Note 24.3)		
As per last Balance sheet	14,986.74	14,986.74
Amalgmation reserve (Refer note 24.4)		
As per last Balance sheet	280.06	280.06
Surplus/ (deficit) in the Statement of Profit and loss		
As per last balance sheet	(23,218.23)	(26,940.41)
Add: Profit for the year	2,506.96	3,789.03
Less: Prior period adjustment (Refer note 24.5)	-	(66.85)
Closing balance	**(20,711.27)**	**(23,218.23)**
Other comprehensive income		
As per last balance sheet	10.26	14.16
Add: Other comprehensive income / (loss) for the year	4.56	(3.90)
Closing balance	**14.82**	**10.26**
Total	**(5,149.28)**	**(7,660.80)**

24.1 Capital reserve represent profit on sale of fixed asset related to an entity amalgamated with Company in the earlier years.

24.2 Capital redemption reserve is credited by amount set aside for redemption of preference shares in earlier years.

24.3 Securities premium account is on account of the premium received on issue of equity shares. The same is utilised in accordance with the provisions of the Companies Act, 2013.

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

24.4 In terms of the Bombay High Court Order dated 13th January, 2012 the amalgamation reserve is not available for distribution as dividend by the Company.

24.5 The Company has restated/reduced opening balance of deferred tax asset accounted in earlier years [prior to 1st April 2017] by Rs. 66.85 lakhs which has also resulted in corresponding reduction in opening 'Other Equity' as on 1st April 2017.

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Borrowings	As at 31st March 2019	As at 31st March 2018
Non-current borrowings		
Secured		
Term loans (Refer note 25.1(a))		
- From banks (Refer Note 25.1(a), 25.1(b), 25.1(d), 25.1(e) and 25.5)	1,770.64	988.65
- From others (Refer Note 25.1(a), 25.1(b) and 25.5)	27,850.94	31,815.67
Unsecured		
- Term loans from others (Refer note 25.1(c))	100.00	1,371.00
- Inter-corporate loan (Refer note 25.2)	605.59	1,253.46
	30,327.17	**35,428.78**
Less: Current maturities of long term loans (Refer note 31)	6,041.87	20,336.58
Less: Interest accrued and due (Refer note 31)	160.70	95.99
Less: Interest accrued but not due (Refer note 31)	11.93	-
Total	**24,112.67**	**14,996.21**

25.1 Details of security provided and terms of repayment

(a) Term loan from banks and others [loans assigned by banks to ARC's on settlement] aggregating to Rs. 25,799.87 lakhs (Previous year: Rs. 29,372.90 lakhs) are secured by (i) First ranking pari-passu charge on lands at “The Orchid” at Vile Parle (East) (owned by Plaza Hotels Private Limited) together with hotel buildings and all appurtenances thereon; (ii) First / second ranking pari-passu mortgage on Company’s immovable property being Hotel “VITS” at Andheri (East); (iii) First/ second charge by way of hypothecation of movable fixed assets and current assets of the Company; (iv) Credit card receivables on pari-passu basis; (v) Equitable mortgage of hotel property at Lotus Goa [exclusive to one lender]; (vi) Pledge of equity shares of the Company held by promoters and promoter companies, pledge of certain equity shares of Orchid Hotels Pune Private Limited (subsidiary) and Plaza Hotels Private Limited (related party) and entire equity shares of Kamats Restaurants (India) Private Limited, Fort Jadhavgadh Hotels Private Limited, Mahodadhi Palace Private Limited and Ilex Developers and Resorts Limited, Kamat Holiday Resorts (Silvassa) Limited; and (vii) Corporate guarantee of subsidiaries, joint venture entity and Plaza Hotels Private Limited and personal guarantee of Dr. Vithal V. Kamat and Mr. Vikram V. Kamat.

(b) Term loans from others [loans assigned by Bank to ARC's and NBFC on settlement] aggregating to Rs.1,971.29 lakhs (Previous year: Rs. 3,406.42 lakhs) is secured by (i) First ranking pari-passu charge on lands at “The Orchid” at Vile Parle (East) (owned by Plaza Hotels Private Limited) together with hotel buildings (245 rooms) and all appurtenances thereon; (ii) Credit card receivables of Orchid (245 rooms) and VITS, Mumbai; (iii) Personal guarantees of Dr. Vithal V. Kamat and Mr. Vikram V. Kamat; and (iv) Post dates cheques and undertaking to pay 50% of sale proceeds of certain assets in case of sale of those assets.

(c) Term loan from others is secured by pledge of equity shares of the Company held by the promoter and promoter companies.

(d) Vehicle loan taken by the Company has been repaid during the year aggregating to Rs. 3.47 lakhs. This loan was secured by hypothecation of the vehicle for which loan was taken.

(e) Term loans from bank having amortised cost of Rs. 1,772.34 lakhs (Previous year: Nil) is secured by way of (i) Exclusive charge on all present and future current assests including receivables of four hotel properties and subservient charge on all fixed assets of the Company; (ii) Equitable mortgage over the land situated at Nagpur, owned by the Company and directors/ relative of directors; (iii) Pledge of 34 lakh shares held by Vishal Amusement Limited and Dr. Vithal V. Kamat; (iv) Personal guarantees of Dr. Vithal V. Kamat, and Mr. Vishal V. Kamat; and (iv) Post dates cheques.

25.2 Above intercorporate loan is repayable by 31st March, 2024 [as extended] or earlier on availability of funds with the Company. As per the terms of the agreement it is not payable in next 12 months as at balance sheet date, hence same is classified under long term borrowing.

25.3 Based on repayment schedules for borrowings [including as per settlement agreement or One Time Settlement sanctioned by various lenders as referred in note 25.4 below], following is maturity profile of term loans from banks and others [assigned loans].

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

Particulars	Maturity Profile as on 31st March 2019		Maturity Profile as on 31st March 2018	
	Next 1 year	2-5 Years	Next 1 year	2-5 Years
Term loan from banks	13.64	1,758.71	988.33	0.14
Term loan from others	6,028.23	22,353.96	19,348.25	14,996.07
Total	**6,041.87**	**24,112.67**	**20,336.58**	**14,996.21**

25.4 Settlement of outstanding loan with ARC's and one time settlement with banks

(a) The Company had borrowed funds in earlier years from banks, financial institutions and NBFCs. Due to financial crisis faced by economic slowdown and other factors, a Corporate Debt Restructuring (CDR) Scheme was sanctioned by the Corporate Debt Restructuring Empowered Group vide sanction letter dated 12th March, 2013. In respect of some of the restructured debts from some of the lenders, despite best efforts taken by the Company, the stipulated assets of the Company could not be sold and consequently the debts agreed to be repaid out of the above debts could not be repaid by 31st March, 2014 and hence CDR scheme failed and Company exited from the CDR scheme. Subsequently, most of the lenders have initiated recovery proceeding including under SARFAESI Act and the Negotiable Instrument Act,1881. One of the lender also filed recovery proceedings with Hon'ble Bombay High Court in which another lender having rights on escrow of credit card receivable intervened and finally the case was disposed off by consent.

Subsequently, most of these loans were assigned by the lenders to the Asset Reconstruction Companies (ARC). Company had negotiated with the Banks and ARC's and restructured the above debts through settlement agreements or one time settlements (OTS) of outstanding dues in earlier years.

(b) With respect to above settled loans, Company is discharging its obligations in terms of the settlement with the respective assignees. In the event of default of terms and conditions of the settlements, the Company may be liable to pay additional penal interest and charges which are estimated to be Rs. 22,690.98 lakhs (Previous year: Rs. 17,195.41 lakhs).

(c) With respect to case filed under Negotiable Instrument Act, 1881, since the relevant loan has been fully assigned, the Company is advised that the proceedings under the said Act will not survive. In the event these proceedings are held against the Company, it may be liable to pay penalty which is estimated at Rs. 1,000 lakhs (Previous year: Rs. 1,000 lakhs). In view of the above, in the opinion of the management, no provision is considered necessary.

25.5 During the year, two Asset Reconstruction Companies (ARC) and one bank (which has restructured the debt under OTS and was fully repaid during year) have permitted extension of repayment tenor of the respective secured debts with revised settlement amount. Additional cost incurred in this connection are accounted in accordance with requirement of Ind AS 109 - Financial Instrument.

25.6 Loans guaranteed by directors

Particulars*	As at 31st March 2019	As at 31st March 2018
Term loan from banks	1,770.64	985.18
Term loan from others	27,850.94	31,815.67
Term loan from others	**29,621.58**	**32,800.85**

*Including interest outstanding.

25.7 Continuing default in repayment of loan and interest at the year end is as given below:

Particulars	As at 31st March 2019		As at 31st March 2018	
	Amount*	Period defaults	Amount*	Period defaults
Principal	454.00	1 day	494.00	1 day
Interest	-	-	-	-
Total	**454.00**	**-**	**494.00**	**-**

* Amount of Rs. 454.00 lakhs has been fully repaid subsequent to year before approval of accounts (Previous year: Amount of Rs. 250.00 lakhs repaid subsequent to previous year before approval of accounts).

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Other financial liabilities - Non-current	As at 31st March 2019	As at 31st March 2018
Outstanding club membership deposit	30.70	42.91
Security deposits	59.10	91.67
Deposit from related party (refer note 26.1)	20.69	18.47
Sales tax deferral loan	-	0.86
Total	**110.49**	**153.91**

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

26.1 Security deposit received having carrying value of Rs. 80.00 lakhs as at 31st March 2019 (Previous year: Rs. 80.00 lakhs) is interest free and is received against hotel property given by the Company under operation and management agreement. This deposit is fair valued in accordance with Ind AS.

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Other non-current liabilities	As at 31st March 2019	As at 31st March 2018
Unamortized non-refundable membership deposit	527.79	602.26
Total	**527.79**	**602.26**

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Provisions - Non-current	As at 31st March 2019	As at 31st March 2018
Provision for leave benefit (Refer note 46((ii)(b))	256.12	204.67
Total	**256.12**	**204.67**

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Deferred tax assets/ (liabilities)	As at 31st March 2019	As at 31st March 2018
Significant components of net deferred tax assets and liabilities		
Deferred tax liabilities		
Difference in net carrying value of property, plant and equipment, intangible assets and investment properties as per income tax and books	4,148.23	4,182.26
Sales tax deposit paid under protest claimed as allowable expenses	2.91	2.91
Sub-total (A)	**4,151.14**	**4,185.17**
Deferred tax assets		
Carried forward losses as per Income Tax Act, 1961	-	522.63
Expense allowed on payment basis as per Income tax act, 1961	590.05	1,082.15
Provision for doubtful debts and advances	432.38	437.60
MAT credit entitlement	50.04	167.17
Fair value measurement of financial assets and liabilities (net)	631.46	622.16
Sub-total (B)	**1,703.93**	**2,831.71**
Deferred tax assets/(liability) (A-B)	**(2,447.21)**	**(1,353.46)**

29.1 Reconciliation of tax expenses and the accounting profit multiplied by applicable tax rate for 31st March 2019 and 31st March 2018:

Particulars	As at 31st March 2019	As at 31st March 2018
Profit before tax (a)	3,582.25	5,108.46
Income tax rate as applicable (b)	29.12%	33.99%
Income tax liability/(asset) as per applicable tax rate (a X b)	1,043.15	1,736.37
(i) Expenses disallowed/ income not taxable for tax purposes (net)	8.19	(103.33)
(ii) Reversal of deferred tax liability due to rate reduction	-	(322.59)
(iii) Effect of difference in tax rate considered for current tax and deferred tax	(6.69)	-
(iv) Tax expenses of earlier years	30.64	8.98
Tax expense reported in the Statement of Profit and Loss	**1,075.29**	**1,319.43**

Particulars	As at 31st March 2019	As at 31st March 2018
Other comprehensive income (a)	6.43	(5.57)
Income tax rate as applicable (b)	29.12%	33.99%
Income tax liability/(asset) as per applicable tax rate (a X b)	1.87	(1.67)
Tax expense/(credit) reported in Other comprehensive income	**1.87**	**(1.67)**

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

Note:

(a) The Company offsets tax assets and liabilities in and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same authority.

(b) No provision for income tax was made in the previous year as there was no taxable income as per the Income Tax Act, 1961 considering brought forwarded losses and payments made, allowable on payments basis. Income tax provision has been made in the current year.

29.2 Income tax recognised in the Statement of Profit and Loss:

Particulars	As at 31st March 2019	As at 31st March 2018
Current tax		
In respect of the current year	99.87	-
In respect of the earlier years	0.67	8.98
	100.54	**8.98**
Deferred tax		
Deferred tax charge in respect of current year	944.78	1,308.78
Deferred tax charge in respect of previous year	29.97	-
	974.75	**1,308.78**
Total tax expense recognized in current year	**1,075.29**	**1,317.76**

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Trade payables	As at 31st March 2019	As at 31st March 2018
Outstanding dues of micro enterprises and small enterprises (Refer note 30.1).	189.81	56.29
Outstanding dues of creditors other than micro enterprises and small enterprises		
- Others	1,477.89	1,499.26
- Related parties (Refer note 43)	287.15	131.74
Total	**1,954.85**	**1,687.29**

30.1 The amount due to Micro, Small and Medium Enterprises as defined in the Micro, Small and Medium Enterprises Development Act (MSMED Act), 2006 has been determined to the extent such parties have been identified on the basis of information collected by the management. The disclosure relating to Micro, Small and Medium Enterprises is as under:

Particulars	As at 31st March 2019	As at 31st March 2018
Dues remaining unpaid at the year end:		
(a) The principle amount remaining unpaid to supplier as at the end of the accounting year	189.81	56.29
(b) The interest thereon remaining unpaid to supplier as at the end of the accounting year	41.10	23.73
(c) The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
(d) Amount of interest due and payable for the year	16.66	4.22
(e) Amount of interest accrued and remaining unpaid at the end of the accounting year	41.10	23.73
(f) The amount of further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid	44.91	25.57

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Other financial liabilities - Current	As at 31st March 2019	As at 31st March 2018
Current maturities of long term borrowings	6,041.87	20,336.58
Interest accrued but not due	11.93	-
Interest accrued and due:		
- To banks and others	160.70	95.99
- On bond deposit	44.48	46.22
Current maturity of outstanding membership deposit	1,245.11	1,312.38
Interest payable to MSME creditors	41.10	23.73
Security deposit	34.82	21.19
Book overdraft	419.01	-
Other payables *	744.02	744.20
Total	**8,743.04**	**22,580.29**

*Other payable mainly consist of employee related dues and other accrued expenses.

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

32	**Other current liabilities**	**As at 31st March 2019**	**As at 31st March 2018**
	Advance from customers	304.92	419.75
	Unamortized non-refundable membership deposit	74.47	74.47
	Income received in advance (others)	9.13	36.27
	Deferred income on club deposits	17.43	19.60
	Deferred advance rentals on security deposits	39.67	50.72
	Statutory dues	1,442.91	1,576.28
	Total	**1,888.53**	**2,177.09**

33	**Provision - Current**	**As at 31st March 2019**	**As at 31st March 2018**
	Provision for gratuity (Refer note 46((ii)(a))	232.74	188.18
	Provision for leave benefit (Refer note 46((ii)(b))	87.71	85.58
	Total	**320.45**	**273.76**

34	**Revenue from operations**	**Year ended 31st March 2019**	**Year ended 31st March 2018**
	Sale of services		
	Room income	10,990.89	10,029.18
	Food and banquet income	6,600.07	5,434.99
	Sub-total	**17,590.96**	**15,464.18**
	Other operating revenue		
	Income from time share business	216.19	321.20
	Management and consultancy fees	180.81	96.84
	Swimming and health club	94.99	102.11
	Conference and banqueting services	524.10	235.00
	Internet and telephone	13.68	9.47
	Laundry services	52.97	57.32
	Car rental and transportation	162.51	128.92
	Membership fees	70.71	91.68
	Miscellaneous services	87.29	102.17
	License fees - Shops and offices	128.45	136.15
	Income from export incentive	65.92	107.19
	Liabilities and Provisions written back	50.50	179.28
	Sub-total	**1,648.12**	**1,567.33**
	Total	**19,239.08**	**17,031.51**

35	**Other income**	**Year ended 31st March 2019**	**Year ended 31st March 2018**
	Interest income on financial assets at amortised cost		
	- on fixed deposit with bank	6.44	13.03
	- on others	90.87	246.12
	Dividend income on investment in mutual fund - current investment	0.43	0.43
	Exchange gain (net)	6.95	7.73
	Net gain on fair value changes of financial assets measured at amortised cost	1.62	7.17
	License fees - other properties	49.20	175.21
	Miscellaneous income	24.68	47.41
	Total	**180.19**	**497.10**

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

36	**Cost of food and beverage consumed**	**Year ended 31st March 2019**	**Year ended 31st March 2018**
	Opening stock	175.06	157.14
	Add: Purchases	1,724.66	1,687.28
		1,899.72	1,844.42
	Less: Closing stock	139.35	175.06
	Total	**1,760.37**	**1,669.36**

36.1 Purchases are net of recoveries of Nil (Previous year: Rs. 184.01 lakhs).

37	**Employee benefit expenses**	**Year ended 31st March 2019**	**Year ended 31st March 2018**
	Salaries, wages and bonus	3,816.75	3,356.77
	Contribution to provident and other funds	234.68	234.76
	Provision for gratuity (Refer note 46(ii)(a))	59.70	57.64
	Provision for leave benefit (Refer note 46(ii)(b))	53.58	44.06
	Staff welfare expenses	266.18	253.77
	Total	**4,430.89**	**3,947.00**

38	**Finance costs**	**Year ended 31st March 2019**	**Year ended 31st March 2018**
	Interest expense at effective interest rate on borrowings which are measured at amortized cost	1,935.58	1,132.19
	Other borrowing costs	266.64	303.45
	Fair value changes in financial liabilities (measured at amortized cost)	1.04	44.30
	Total	**2,203.26**	**1,479.94**

39	**Other expenses**	**Year ended 31st March 2019**	**Year ended 31st March 2018**
	Operating expenses		
	Heat, light and power	1,193.87	1,089.53
	Rent (Refer note 47(b))	154.14	130.01
	Licenses, rates and taxes	424.44	405.24
	Repairs expenses for		
	- Buildings	189.18	182.13
	- Plant and Machinery	321.60	279.54
	- Others	143.55	114.83
	Expenses on apartments and boards	751.78	600.08
	Replacements of crockery, cutlery, linen, etc.	120.83	307.76
	Washing and laundry expenses	209.05	188.73
	Water charges	152.94	158.90
	Band and music expenses	165.22	129.20
	Management license fees and royalty	374.58	222.63
	Sub total (A)	**4,201.18**	**3,808.58**
	Sales and marketing expenses		
	Advertisement, publicity and sales promotion	249.01	156.48
	Travel agents' commission	553.65	462.06
	Other commission and charges	147.92	119.04
	Sub total (B)	**950.58**	**737.58**

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

Other expenses		**Year ended 31st March 2019**	**Year ended 31st March 2018**
Administrative and general expenses			
Communication expenses		125.57	116.98
Printing and stationery		58.23	53.91
Legal, professional and consultancy charges		416.72	368.64
Directors' sitting fees		8.40	7.16
Travelling and conveyance		272.36	242.26
Insurance		50.89	49.01
Bad debts written off	107.88	-	19.19
Less: Provision for expected credit loss	(69.54)	-	-
		38.34	19.19
Provision for expected credit loss		37.88	279.97
Auditors' remuneration (Refer Note 39.1)		18.00	18.85
Sales Tax/Vat /Luxury Tax etc. including assessment dues		3.48	12.54
Loss on sale / discard of property, plant and equipment (Net)		21.38	78.40
Miscellaneous expenses		143.67	108.55
Sub total (C)		**1,194.92**	**1,355.46**
Total(A+B+C)		**6,346.68**	**5,901.62**

39.1	**Auditors' remuneration**	**Year ended 31st March 2019**	**Year ended 31st March 2018**
	Statutory audit fees	15.25	16.10
	Tax audit fees	2.75	2.75
	Total	**18.00**	**18.85**

Note: Above fees are excluding of goods and service tax (GST) of Rs.3.24 lakhs (In previous year of Rs. 3.37 lakhs).

40	**Exceptional items - Income/(expense)**	**Year ended 31st March 2019**	**Year ended 31st March 2018**
	Income:		
	Interest provision no longer required written back on settlement of loan dues (Net of incidental expenses related to settlement of loan dues) (Refer note 40.1)	-	1,567.69
	Provision for doubtful advance written back (Refer note 10.1 and 12.2)	-	280.00
	Sub-total	**-**	**1,847.69**
	Expense:		
	Loss on discard of property, plant and equipment (Refer note 40.2)	-	95.79
	Sub-total	**-**	**95.79**
	Total income/(expense)	**-**	**1,751.90**

40.1 Provision for finance cost written back and reduction in liability towards long term and short term borrowing represents write back of interest provision made in earlier years and write back of loan liabilities on settlement with lenders of the Company.

40.2 Loss on discard of property, plant and equipment represents discard of fixed assets on pre-termination of lease arrangement at one of the hotel property taken under operating lease.

41 Capital commitments, other commitments and contingent liabilities

41.1 Capital Commitments.

(a) Estimated amount of capital commitments to be executed on capital accounts and not provided for Rs. 38.61 lakhs as at 31st March 2019 (Previous year: Rs. 39.62 lakhs) (Net of advances).

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

41.2 Other significant commitments.

(a) The Company had put up Sewage Treatment Plant ("STP") on an adjacent immovable property owned by Kamats Amusements Private Limited in earlier years for its Orchid Hotel, Mumbai and continues to use the same. The Company is obliged to compensate appropriately to the owner for such use of the property. The modalities of the same being worked out.

(b) Undertaking given by the Company in favour of a lender to repay the loan to the extent of 50% of sale proceeds from certain specified assets (in case sold) - Expected obligation of Rs. 1,236.82 lakhs (Previous year: Rs. 1,236.82 lakhs) as per management estimate.

41.3 Contingent liability (to the extent not provided for)

Particulars		As at 31st March 2019	As at 31st March 2018
(i)	**Claims against the Company/ disputed liabilities not acknowledged as debts**		
	Disputed indirect tax demands (Including amount paid under protest of Rs. 22.14 lakhs (Previous year: Rs. 22.00 lakhs)	561.81	399.49
	Open import licenses	47.60	45.58
	Claims against the Company not acknowledged as debts (including employee claims)	107.33	126.20
	Cases filed by certain lenders under the Negotiable Instrument Act, 1881 (Also refer 25.4(c))	1,000.00	1,000.00
(ii)	**Guarantees given by the Company**		
	Corporate guarantee given to a bank in respect of credit facilities availed by subsidiary company	20,434.00	20,434.00
	Cross guarantee given to bank in respect of guarantee issued on behalf of the Company	38.12	38.12
	Corporate guarantee given to a bank in respect of credit facilities availed by Joint Venture Company	1,000.00	1,000.00
Other money for which the Company is contingently liable			
Contingencies in respect of assigned loan (Also refer 25.4(b))		22,690.98	17,195.41

In respect of (i) above, future cash outflows (including interest/ penalty, if any) are determinable on receipt of judgement from tax authorities / labour court/ settlement of claims or non-fulfilment of contractual obligations. Further, the Company does not expect any reimbursement in respect of above. In respect of (ii) above, Company does not expect any cash outflow till such time contractual obligations are fulfilled by the companies for which guarantees are issued (Also refer note 2.4 (x) of financial statements).

42 Subsidiaries (where control exist) and joint venture entity [Disclosure as per Ind AS 112]

Sr. No.	Name of the entity	Principal place of business	Proportion of ownership (%)	
			As at 31st March 2019	As at 31st March 2018
	Wholly owned subsidiaries			
(i)	Orchid Hotels Pune Private Limited	India	100%	100%
(ii)	Fort Jadhav Gadh Hotels Private Limited	India	100%	100%
(iii)	Mahodadhi Palace Private Limited	India	100%	100%
(iv)	Kamats Restaurant (India) Private Limited	India	100%	100%
(v)	Orchid Hotels Eastern (India) Private Limited (Formerly known as Green Dot Restaurants Private Limited)	India	100%	100%
	Joint venture entity			
(vi)	Ilex Developers & Resorts Limited	India	32.92%	32.92%

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

43 Disclosures as required by Indian Accounting Standard (Ind AS) 24 - Related Party Disclosures

43.1 Name and relationships of related parties:

(a) Subsidiaries and joint ventures — Refer note 42 above

(b) Entities in which Director/ KMP and relatives have significant influence. (Only where there are transactions/ balances) — Vithal V Kamat (HUF), Kamat Holdings Private Limited, Indira Investments Private Limited^, Plaza Hotels Private Limited, Kamat Development Private Limited, Sangli Rubber Agro Private Limited, Kamats Club Private Limited^, Kamburger Foods Private Limited^, Kamats Super Snacks Private Limited^, Karaoke Amusements Private Limited^, Vishal Amusments Limited, Kamat Holiday Resorts (Silvassa) Limited, Kamat Eateries Private Limited^, Kamat Amusements Private Limited, Kamats Development Private Limited, Talent Hotels Private Limited, Treeo Resort Private Limited, Nagpur Ecohotel Private Limited^, VITS Hotels (Bhubaneshwar) Private Limited^.

(c) Key Management Personnel [KMP]:

Executive Chairman & Managing Director	Dr. Vithal V. Kamat
Non Executive Director	Mr. Bipinchandra C. Kamdar
Independent Director	Mr. S. S. Thakur (Upto 27th May 2019)
	Mr. Dinkar D. Jadhav
	Ms. Himali H. Mehta
Chief financial officer	Mrs. Smita Nanda, Chief Financial Officer (W.e.f. 26th May 2017)
Company Secretary	Mr. Amit Vyas, Company Secretary (Upto 13th May 2019)
	Mr. Shailesh Bhaskar, Company Secretary (W.e.f. 27th May 2019)

(d) Relatives of KMP (Only where there are transactions) — Mrs. Vidya V. Kamat [Wife of KMP]
Mr. Vikram V. Kamat [Son of KMP]
Ms. Vidita V.Kamat [Daughter of KMP]
Mr. Vishal V. Kamat - [Son of KMP and also Chief Executive Officer of Fort Jadhav Gadh, an unit of the Company]

^ These entities are merged with Vishal Amusements Limited w.e.f. 16th May 2018.

43.2 Transactions with related parties

Nature of transaction	Name of the party	Year ended 31st March 2019	Year ended 31st March 2018
Management fees - income	Orchid Hotels Pune Private Limited	180.81	96.84
Reimbursement of staff deputation expenses received		133.55	96.33
Loans and advance recovered		650.97	-
Temporary refund received of loan given		430.00	-
Repayment of temporary refund received		430.00	-
Taxes recovered on corporate guarantee commission		17.03	-
Amount payable towards tax on Commission related Corporate Guarantee		14.85	-
Reimbursement of expenses paid (Net)		9.01	5.24
Management fees - expense	Mahodadhi Palace Private Limited	69.20	37.21
Loans and advance recovered		-	280.00
Reimbursement of expenses paid (Net)		0.03	0.04
Amount collected by the company		0.10	-
Provision for doubtful advance written back		-	280.00
Management fees - income	Ilex Developers & Resorts Limited	8.95	9.32
Transfer of materials		8.18	-
Laundry service expense		6.80	-
Taxes recovered on corporate guarantee commission		0.62	-
Amount payable towards tax on Commission related Corporate Guarantee		0.93	-
Reimbursement of expenses received (Net)		15.05	

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

Nature of transaction	Name of the party	Year ended 31st March 2019	Year ended 31st March 2018
Reimbursement of expenses paid	Fort Jadhavgadh Hotels Private Limited	0.03	0.04
Reimbursement of expenses paid	Kamats Restaurants (India) Private Limited	0.03	0.04
Reimbursement of expenses paid	Orchid Hotels Eastern (India) Private Limited	-	0.02
Rent expense for leasehold land	Plaza Hotels Private Limited	228.08	100.61
Amount payable towards tax on Commission related Corporate Guarantee		2.23	-
Amount payable towards tax on Commission related Corporate Guarantee	Vishal Amusements Limited	0.62	
Remuneration paid (Also refer note 44(a))	Dr.Vithal V.Kamat	105.66	105.57
Royalty expenses		5.18	4.63
Remuneration paid	Mr.Vishal V.Kamat	56.25	56.12
	Mrs. Smita Nanda	26.41	19.53
	Mr. Amit Vyas	18.36	15.84

Nature of transaction	Name of the party	Year ended 31st March 2019	Year ended 31st March 2018
Consultancy fees	Ms. Vidita Kamat	5.40	5.40
Directors sitting fees	Mr. Bipinchandra C. Kamdar	2.15	1.90
	Mr. S. S. Thakur	2.05	1.80
	Mr. Dinkar D. Jadhav	2.15	1.90
	Ms. Himali H. Mehta	2.05	1.55

43.3 Related party outstanding balances:

Nature of transaction	Name of the party	As at 31st March 2019	As at 31st March 2018
Investment in equity shares	Orchid Hotels Pune Private Limited	9,327.75	9,327.75
Provision for impairment of investment		9,327.75	9,327.75
Advance given		19,646.40	19,646.40
Provision for impairment of advance given		19,646.40	19,646.40
Trade receivable		18.58	-
Advance received for services		-	107.12
Corporate guarantee given on behalf of subsidiary		21,500.00	21,500.00
Corporate guarantee provided by subsidiary company on behalf of Company		24,755.00	24,755.00
Advance given	Mahodadhi Palace Private Limited	418.74	418.74
Provision for impairment of advance given		418.74	418.74
Interest receivable on above advance		3.62	3.62
Amount recoverable		-	0.04
Trade payable		52.35	36.70
Investment in equity shares		1.00	1.00
Investment in equity shares	Ilex Developers & Resorts Limited	533.00	533.00
Provision for impairment of investment		533.00	533.00
Security deposits given (Gross carrying value)		80.00	80.00
Trade receivable		9.72	7.16
Corporate guarantee given by Company on behalf of Joint Venture		1,000.00	1,000.00
Security given for loan taken by Company (to the extent of outstanding loan)		799.68	799.68
Deposit given under business contract agreements	Plaza Hotels Private Limited	8,000.00	8,000.00
Trade payable		230.75	87.13
Undertaking given towards repayment of loan taken by the Company		1,837.92	1,837.92

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

Nature of transaction	Name of the party	As at 31st March 2019	As at 31st March 2018
Undertaking given towards repayment of loan taken by the Company	Talent Hotels Private Limited	2,375.26	2,375.26
Amount receivable	Treeo Resort Private Limited	2.38	4.88
Amount recoverable	Fort Jadhav Gadh Hotels Private Limited	-	0.03
Investment in equity shares		1.00	1.00
Amount recoverable	Kamats Restaurant (India) Private Limited	-	0.04
Investment in equity shares		1.00	1.00
Amount recoverable	Orchid Hotels Eastern (India) Private Limited	-	0.02
Investment in equity shares		1.00	1.00
Royalty payable	Dr.Vithal V. Kamat	3.41	7.91
Pledge of shares for term loan taken by the Company	Nagpur Ecohotel Private Limited	100.00	1,371.00
Pledge of shares for term loan taken by the Company	VITS Hotels (Bhubaneshwar) Private Limited	100.00	1,371.00

Notes:

(a) Transactions with related parties and outstanding balances at the year end are disclosed at transaction value/ carrying value.

(b) In addition to above transactions,

(i) Mahodadhi Palace Private Limited, Kamats Restaurant (India) Private Limited, Fort Jadhav Gadh Hotels Private Limited, Ilex Developers & Resorts Limited, Plaza Hotels Private Limited, Kamat Holiday Resorts (Silvassa) Limited, Dr. Vithal V. Kamat, Mr. Vikram V. Kamat have given joint corporate/personal guarantee amounting to Rs. 38,583.00 lakhs (Previous year: Rs. 38,583.00 lakhs) to banks/ others for credit facilities availed by the Company [Share of respective entities/ persons is not quantifiable].

(ii) Plaza Hotels Private Limited, Vishal Amusements Limited, Dr. Vithal V. Kamat, Mr. Vishal V.Kamat have given joint corporate/ personal guarantee amounting to Rs. 1,800.00 lakhs (Previous year: Nil) to bank for credit facilities availed by the Company [Share of respective entities/ persons is not quantifiable].

(iii) KMP, relatives of KMP and entities in which KMP has significant influence have pledged equity shares held by them in the Company and other investments to the lenders for borrowing of the Company.

(iv) KMP and relatives of KMP and entities in which KMP has significant influence have pledged equity shares held by them in the Company, given personal guarantee and given land owned by them under equitable mortgage [Refer note 25.1(e)].

43.4 Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. In case of advances given to two wholly owned subsidiaries, Company has waived interest. For the year ended 31st March 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. Company has recorded impairment of receivable and investment in two subsidiaries and a joint venture entity in earlier years. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

44 Breakup of compensation to key managerial personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

(a) Compensation to KMP [Executive Chairman and Managing Director] as specified in para 43.1(c) above:

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Short term employee benefits	96.16	96.07
Post employment benefits*	9.50	9.50
Other long term benefits*	-	-
Total	**105.66**	**105.57**

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

(b) Compensation to KMP as mentioned in para 43.1(c) above [Other than given in 44(a)]:

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Short term employee benefits	44.77	35.37
Post employment benefits*	-	-
Other long term benefits*	-	-
Sitting fees	8.40	7.16
Total	**53.17**	**42.53**

*As the liabilities for defined benefit plans are provided on actuarial basis for the Company as a whole, the amounts pertaining to Key Management Personnel are not included.

45 Earnings per share

Particulars	As at 31st March 2019	As at 31st March 2018
Basic and diluted earning per share		
Profit attributable to the equity holders of the Company	2,506.96	3,789.03
Weighted average number of equity shares (Excluding forfeited shares)	235,84,058	235,84,058
Face value per equity share (Rs.)	10	10
Basic and diluted earnings per share	10.63	16.07

46 Disclosure relating to employee benefits as per Ind AS 19 'Employee Benefits'

(i) Disclosures for defined contribution plan

The Company has certain defined contribution plans. The obligation of the Company is limited to the amount contributed and it has no further contractual obligation. Following are the details regarding Company's contributions made during the year:

Particulars	2018-2019	2017-2018
Provident fund	71.21	72.36
Pension fund	101.83	97.65
Employees' state insurance (ESIC)	61.15	64.16
Labour welfare fund	0.48	0.59
Total	**234.68**	**234.76**

(ii) Disclosures for defined benefit plans and other long term benefits

(a) Defined benefit obligations - Gratuity (funded)

The Company has a defined benefit gratuity plan for its employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, every employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the employee's length of service and salary at retirement age. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn) for each completed year of service as per the provisions of the Payment of Gratuity Act, 1972. The scheme is funded with insurance companies in the form of a qualifying insurance policy.

Risks associated with plan provisions

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follows:

Investment/ asset risk	All plan assets are maintained in a trust fund managed by a public sector insurer viz; LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The Company has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The Company has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured. Also interest rate and inflation risk are taken care of.
Interest rate risk	The defined benefit obligation is calculated using a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
Salary inflation risk	Higher than expected increases in salary will increase the defined benefit obligation.

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

Demographic risk	This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria.

For determination of the liability in respect of compensated gratuity, the Company has used following actuarial assumptions:

Particulars	**2018-2019**	**2017-2018**
Discount rate (per annum)	7.15%	7.30%
Rate of Return on Plan Assets (per annum)	7.30%	7.30%
Salary Escalation (per annum)	6.50%	6.50%
Attrition Rate (per annum)	10.00%	10.00%
Mortality Rate	As per Indian Assured lives Mortality (2006-08)	

Changes in the present value of obligations	**2018-2019**	**2017-2018**
Liability at the beginning of the year	317.14	257.26
Interest cost	20.73	16.42
Current service cost	47.70	43.75
Benefits paid	(20.34)	(11.17)
Past service cost	-	17.25
Actuarial (gain)/loss on obligations	(6.48)	(6.38)
Liability at the end of the year	**358.75**	**317.14**

Changes in the fair value of plan assets	**2018-2019**	**2017-2018**
Opening fair value of plan assets	128.97	123.19
Expected return on plan assets	8.73	8.65
Employers contribution	8.70	9.11
Benefits paid	(20.34)	(11.17)
Actuarial gain/(loss) on plan assets	(0.05)	(0.81)
Closing fair value of plan assets	**126.01**	**128.97**

Table of recognition of actuarial gain / loss	**2018-2019**	**2017-2018**
Actuarial (gain)/ loss on obligation for the year	(6.48)	(6.38)
Actuarial gain/ (loss) on assets for the year	(0.05)	(0.81)
Actuarial (gain)/ loss recognised in other comprehensive income	**(6.43)**	**(5.57)**

Breakup of actuarial (gain) /loss:	**2018-2019**	**2017-2018**
Actuarial loss/(gain) arising from change in demographic assumption	-	-
Actuarial loss arising from change in financial assumption	2.76	(4.79)
Actuarial loss/(gain) arising from experience	(9.24)	(1.59)
Total	**(6.48)**	**(6.38)**

Liability recognized in the Balance Sheet:	**As at 31st March 2019**	**As at 31st March 2018**
Liability at the end of the year	358.75	317.15
Fair value of plan assets at the end of the year	(126.01)	(128.97)
Liability recognized in Balance Sheet	**232.74**	**188.18**

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

Expenses recognized in the Income Statement:	**2018-2019**	**2017-2018**
Current service cost	47.70	43.75
Interest cost	20.73	16.42
Expected return on plan assets	(8.73)	(8.65)
Past Service Cost	-	17.25
Actuarial (Gain)/Loss	(6.43)	5.57
Expense/ (income) recognized in		
- Statement of Profit and Loss	59.70	57.64
- Other comprehensive income	6.43	5.57

Balance sheet reconciliation	**As at 31st March 2019**	**As at 31st March 2018**
Opening net liability	188.18	134.08
Expense recognised in Statement of Profit and Loss & OCI	53.26	63.21
LIC contribution during the year	(8.70)	(9.11)
Amount recognized in Balance Sheet	**232.74**	**188.18**

Sensitivity analysis of benefit obligation (Gratuity)

Particulars	**2018-2019**	**2017-2018**
a) Impact of change in discount rate		
Present value of obligation at the end of the year		
a) Impact due to increase of 0.5%	349.70	309.40
b) Impact due to decrease of 0.5%	368.27	325.30
b) Impact of change in salary growth		
Present value of obligation at the end of the year		
a) Impact due to increase of 0.5%	367.75	324.86
b) Impact due to decrease of 0.5%	350.01	309.64
c) Impact of change in withdrawal rate		
Present value of obligation at the end of the year		
a) withdrawal rate Increase	357.57	316.21
b) withdrawal rate decrease	359.60	317.84
d) Impact of change in mortality rate		
Present value of obligation at the end of the year		
a) Impact due to increase	358.81	317.18
b) Impact due to decrease	358.69	317.11

Maturity profile of defined benefit obligation

Particulars	**As at 31st March 2019**	**As at 31st March 2018**
Weighted average duration of the defined benefit obligation	5.47	5.61
Projected benefit obligation	358.75	317.14
Accumulated benefit obligation	266.23	237.67

Pay-out analysis

Particulars	**As at 31st March 2019**	**As at 31st March 2018**
1st year	67.07	66.43
2nd year	48.21	39.87
3rd year	42.92	41.81
4th year	39.83	29.96
5th year	36.09	34.39
Next 5 year pay-out (6-10 year)	160.41	139.67

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

(b) Compensated absences (non-funded)

As per the policy of the Company, obligations on account of benefit of accumulated leave of an employee is settled only on termination / retirement of the employee. Such liability is recognised on the basis of actuarial valuation following Project Unit Credit Method.

Risks associated with plan provisions

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follows:

Interest rate risk	The defined benefit obligation is calculated using a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
Salary inflation risk	Higher than expected increases in salary will increase the defined benefit obligation.
Demographic risk	This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria.

For determination of the liability in respect of compensated absences, the Company has used following actuarial assumptions:

Particulars	2018-2019	2017-2018
Discount rate	7.15%	7.30%
Salary escalation	6.50%	6.50%
Attrition rate	10.00%	10.00%
Mortality rate	Indian Assured lives Mortality (2006-08)	

Changes in the present value of obligations:

Particulars	2018-2019	2017-2018
Liability at the beginning of the year	290.25	246.19
Interest cost	17.28	15.89
Current service cost	65.03	63.56
Benefits paid	(56.35)	(66.88)
Actuarial (gain)/loss on obligations	27.62	31.49
Liability at the end of the year	**343.83**	**290.25**

Table of recognition of actuarial (gain) / loss :

Particulars	2018-2019	2017-2018
Actuarial (gain)/loss on obligation for the year	27.62	31.49
Actuarial (gain)/loss on assets for the year	-	-
Actuarial (gain)/loss recognized in Statement of Profit and Loss	**27.62**	**31.49**

Breakup of actuarial (gain) /loss:

Particulars	2018-2019	2017-2018
Actuarial loss/(gain) arising from change in demographic assumption	-	-
Actuarial loss arising from change in financial assumption	2.45	6.85
Actuarial loss/(gain) arising from experience	25.17	24.64
Total	**27.62**	**31.49**

Amount recognized in the Balance Sheet:

Particulars	As at 31st March 2019	As at 31st March 2018
Liability at the end of the year	343.83	290.25
Fair value of plan assets at the end of the year	-	-
Amount recognized in the Balance Sheet	**343.83**	**290.25**

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

Expenses recognized in the Statement of profit and loss:

Particulars	2018-2019	2017-2018
Current service cost	65.03	63.56
Interest cost	17.28	15.89
Expected return on plan assets	-	-
Benefits paid	(56.35)	(66.88)
Actuarial (gain)/loss	27.62	31.49
Expense recognized in Statement of Profit and Loss	**53.58**	**44.06**

Balance Sheet Reconciliation

Particulars	As at 31st March 2019	As at 31st March 2018
Opening net liability	290.25	246.19
Expense recognised in Statement of Profit and Loss	53.58	44.06
Amount recognized in Balance Sheet	**343.83**	**290.25**
Non-current portion of defined benefit obligation	256.12	204.67
Current portion of defined benefit obligation	87.71	85.58

Sensitivity analysis of benefit obligation (Leave encashment)

Particulars		2018-2019	2017-2018
a)	**Impact of change in discount rate**		
	Present value of obligation at the end of the year		
	a) Impact due to increase of 0.5%	309.22	284.09
	b) Impact due to decrease of 0.5%	325.70	296.69
b)	**Impact of change in salary growth**		
	Present value of obligation at the end of the year		
	a) Impact due to increase of 0.5%	325.71	296.71
	b) Impact due to decrease of 0.5%	309.14	284.02
c)	**Impact of change in withdrawal rate**		
	Present value of obligation at the end of the year		
	a) withdrawal rate Increase	317.29	288.99
	b) withdrawal rate decrease	317.06	291.77
d)	**Impact of change in mortality rate**		
	Present value of obligation at the end of the year		
	a) Impact due to increase	317.26	268.78
	b) Impact due to decrease	317.22	268.76

Maturity profile of defined benefit obligation

Particulars	As at 31st March 2019	As at 31st March 2018
Weighted average duration of the defined benefit obligation	-	5.21
Projected benefit obligation	234.61	268.77

Pay-out analysis

Particulars	As at 31st March 2019	As at 31st March 2018
1st year	61.12	64.10
2nd year	43.86	39.93
3rd year	38.68	37.18
4th year	34.27	29.72
5th year	31.32	28.28
Next 5 year pay-out (6-10 year)	128.41	106.70

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

47 Leases

(a) Asset given under operating lease

The Company has given shops, office premises and hotel property under operating lease under non-cancellable operating leases. The Company has recognised Management fees or royalty income of Rs. 177.65 lakhs during the year (Previous year: Rs. 190.05 lakhs). The contractual future minimum lease payment receivables in respect of these leases are:

Particulars	As at 31st March 2019	As at 31st March 2018
Not later than one year	95.41	146.17
Later than one year and not later than five years	16.54	64.15
Later than five years	-	-
	111.95	**210.32**

Total contingent rent income (in the form of management or royalty fees) recognised during the year Rs. 8.96 lakhs (Previous year: Rs. 9.32 lakhs).

Note:

(i) With respect to hotel property given under operation and management agreement, Company gets management fees calculated based on percentage of revenue earned by the lessee from this property. Since future revenue is based on percentage of revenue which is contingent in nature, other disclosures as required under Ind AS 17 - 'Leases' are not quantifiable with respect to such arrangement as at the balance sheet date.

(b) Asset taken under operating lease

The Company has taken hotel property under operating lease under non-cancellable operating leases. The Company has recognised management fees/ rent expenses of Rs. 451.40 lakhs during the year (Previous year: Rs. 267.84 lakhs). The contractual future minimum lease payable in respect of these leases are:

Particulars	As at 31st March 2019	As at 31st March 2018
Not later than one year	20.79	37.40
Later than one year and not later than five year	88.47	86.27
Later than five year	237.56	260.55
	346.82	**384.22**

Total contingent rent expenses (in the form of royalty and management fees) recognised during the year Rs.409.67 lakhs (Previous year: Rs. 227.42 lakhs).

Note:

(i) With respect to hotel properties/ land taken under lease/ operation and management arrangement, Company is liable to pay management fees/ rent based on gross operating profits, revenue etc. Since future revenue is contingent in nature, other disclosures as required under Ind AS 17 - 'Leases' are not quantifiable with respect to such arrangements as at the balance sheet date.

48 Disclosure pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 186(4) of the Companies Act, 2013 in respect of loans and advances in the nature of loans:

Loans and advances in the nature of loans given to subsidiaries are for business purposes. Refer note 43 for corporate guarantee given and investment in securities:

Name of the entity	As at 31st March 2019		As at 31st March 2018	
	Maximum amount outstanding	Balance outstanding	Maximum amount outstanding	Balance outstanding
Wholly owned subsidiaries				
Orchid Hotels Pune Private Limited	196.46	196.46	196.46	196.46
Mahodadhi Palace Private Limited	418.74	418.74	698.74	418.74
Fort Jadhav Gadh Hotels Private Limited	0.03	-	0.03	0.03
Kamats Restaurant (India) Private Limited	0.04	-	0.04	0.04
Orchid Hotels Eastern (India) Private Limited (Formerly known as Green Dot Restaurants Private Limited)	0.02	-	0.02	0.02

49 Note on Cash Flow Statement

i) The aggregate amount of outflow on account of direct taxes paid is Rs. 222.25 lakhs (previous year Rs. 62.05 lakhs).

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

ii) Changes in financing liabilities arising from cash and non-cash changes:

Particulars	1st April 2018	Cash flows	Non-cash changes	31st March 2019
Borrowings (Excluding interest dues)	35,332.79	(5,178.25)	-	30,154.54
Particulars	**1st April 2017**	**Cash flows**	**Non-cash changes**	**31st March 2018**
Borrowings (Excluding interest dues)	43,326.41	(7,993.62)	-	35,332.79

50 Disclosures as required by Indian Accounting Standard (Ind AS) 108 - Operating Segments

There are no reportable segments under Ind AS-108 ‘Operating Segments’ as the Company is operating only in the hospitality service segment, therefore, disclosures of segment wise information is not applicable. Further, no single customer represents 10% or more of the Company's total revenue during the year ended 31st March 2019 and 31st March 2018.

51 Subsequent to the year end, Company's hotel property in Orissa has been affected heavily due to "Cyclone Fani". Company is in the process of assessing the damages caused to the property and report of the insurance surveyor is awaited. In view of the management, insurance coverage is adequate to cover the value of the assets damaged.

52 During the year, Company has classified balances of non-current financial liabilities to Other non-current liabilities and other current liabilities to give proper classfication in accordance with Ind AS. Comparative amounts of Rs. 672.59 lakhs are also reclassified to Other non-current liabilities and other current liabilities in order to match with current year's classification.

53 Going concern assumption

As per standalone financial statements, Company’s accumulated losses as at 31st March, 2019 are in excess of its paid up capital & other equity and its current liabilities exceed the current assets as on that date. Further, in respect of loans, there are delays in repayment of principal and overdue instalments as at 31st March, 2019. In the opinion of the management, considering the future business prospects and the fact that the fair values of the assets of the Company are significantly higher than the borrowings/debts, these standalone financial results have been prepared on a going concern basis which contemplates realisation of assets and settlement of liabilities in the normal course of Company’s business. Further, management has also arranged additional funds in the Company by way of term loan.

54 Financial instruments - Accounting classifications & fair value measurement

(a) Financial instruments by category

Sr. No.	Particulars	31st March 2019			31st March 2018		
		Amortised Cost	FVTOCI	FVTPL	Amortised Cost	FVTOCI	FVTPL
A	**Financial assets**						
	(i) Non-current investments	-	-	11.02	-	-	11.05
	(ii) Other non-current financial asset	1,859.50	-	-	1,769.04	-	-
	(iii) Trade receivables (net)	1,110.78	-	-	1,436.72	-	-
	(iv) Cash and cash equivalents	283.27	-	-	358.59	-	-
	(v) Other bank balances	157.81			81.12		
	(vi) Other current financial assets	14.74	-	-	9.92	-	-
	(vii) Investments	5.25	-	-	5.00	-	-
	(viii) Loans	13.80	-	-	8.78	-	-
	Total financial assets	**3,445.15**	**-**	**11.02**	**3,669.17**	**-**	**11.05**
B	**Financial liabilities**						
	(i) Borrowings- non-current	24,112.67	-	-	14,996.21	-	-
	(ii) Other financial liabilities - non-current	110.49	-	-	153.91	-	-
	(iii) Trade payables	1,954.84	-	-	1,687.29	-	-
	(iv) Other current financial liabilities	8,743.04	-	-	22,572.75	-	-
	Total financial liabilities	**34,921.04**	**-**	**-**	**39,410.16**	**-**	**-**

FVTOCI - Fair Value Through Other Comprehensive Income

FVTPL - Fair Value Through Profit or Loss

Note: Above disclosure excludes investments (gross) in subsidiaries and joint venture amounting to Rs. 9,864.74 lakhs as on 31st March, 2019 (Previous year: Rs.9,864.74 lakhs) as these are valued at cost in accordance with Ind AS 27 - 'Separate Financial Statement'.

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

(b) Fair valuation techniques

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The management assessed that fair value of Trade receivables (net), Cash and cash equivalents, Other current financial assets, Current borrowings, Trade payables and Other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Further, the management has assessed that fair value of other financial asset and liabilities will be approximate to their carrying amounts as they are priced to market interest rates on or near the end of reporting period.

(c) Fair value hierarchy

Financial assets and financial liabilities are measured at fair value in the financial statement and are grouped into three levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

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

Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

(d) Financial assets/ liabilities measured at fair value

The following table represents the fair value hierarchy of assets and liabilities measured at fair value on a recurring basis.

Particulars	Level	31st March 2019		31st March 2018	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets					
Non-current investments	Level 1	0.03	0.06	0.03	0.08
Non-current investments	Level 2	5.01	10.96	5.01	10.97
Total financial assets		**5.04**	**11.02**	**5.04**	**11.05**

(e) Fair value of instruments measured at amortised cost:

Particulars	Level	31st March 2019		31st March 2018	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets					
Loans	Level 3	1,859.50	1,859.50	1,769.04	1,769.04
Total financial assets		**1,859.50**	**1,859.50**	**1,769.04**	**1,769.05**
Financial liabilities					
Borrowings	Level 3	22,876.68	24,112.67	15,475.53	14,996.21
Other financial liabilities	Level 3	202.66	110.49	863.44	153.91
Total financial liabilities		**23,079.34**	**24,223.16**	**16,338.97**	**15,150.12**

Notes:

(i) The above disclosures are given only for non-current financial assets and non-current financial liabilities. Short term financial assets and current financial liabilities (investment, cash and cash equivalents, other receivables, trade payables and other current financial liabilities) represents the best estimate of fair value.

(ii) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

(iii) There have been no transfers between Level 1 and Level 2 for the years ended March 31, 2019 and March 31, 2018.

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

55 Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee reports regularly to the Board of Directors on its activities. The Company's risk management policies are established to identify and analyses the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by internal audit team. Internal audit team undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk;
- Market risk

(a) Credit risk :

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instruments fail to meet its contractual obligations. The Company is exposed mainly to credit risk which arises from cash and cash equivalents and deposit with banks.

(i) Cash and cash equivalent

The Company considers factors such as track record, size of institution, market reputation and service standards to select the banks with which balances and deposits are maintained. The bank balance and fixed deposits are generally maintained with the banks with whom the Company has regular transactions. Further, the Company does not maintain significant cash in hand other than those required for its day to day operations. Considering the same, the Company is not exposed to expected credit loss of cash and cash equivalent and bank deposits.

(ii) Trade receivables

The major exposure to the credit risk at the reporting date is primarily from receivable comprising of trade receivables. Credit risk on receivable is limited due to the Company's diverse customer base. The effective monitoring and controlling of credit risk through credit evaluations is a core competency of the Company's risk management system.

For expected credit loss of trade receivable, Company follows simplified approach as per which provision is made for receivable exceeding six months/ one year based on category of receivable. This is based on historically observed default rates over the expected life of trade receivables. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

The Reconciliation of Expected Credit Allowance (ECL) is as given below:

Particulars	31st March 2019	31st March 2018
Balance at the beginning	1,493.62	1,224.99
Less: Utilized	69.54	11.34
	1,424.08	1,213.65
Add: Provision for ECL made during the year	37.88	279.97
Balance at the year end	**1,461.96**	**1,493.62**

(b) Liquidity risk :

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows to ensure it has sufficient cash to meet operational needs. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance and compliance with internal statement of financial position ratio targets.

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

(i) Maturities of financial liabilities:

The following are the remaining contractual maturities of financial liabilities at the reporting date:

Particulars	Less than 1 year	1 to 5 year	Above 5 years	Total
As at 31st March 2019				
Borrowings	-	24,112.67	-	24,112.67
Trade payables	1,954.84	-	-	1,954.84
Other financial liabilities - non-current	-	89.80	20.69	110.49
Other current financial liabilities	8,743.04	-	-	8,743.04
As at 31st March 2018				
Borrowings	-	14,996.21	-	14,996.21
Trade payables	1,687.29	-	-	1,687.29
Other financial liabilities	-	135.44	18.47	153.91
Other current financial liabilities	22,572.75	-	-	22,572.75

(c) Market risk

Market risk is the risk that the changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The pre dominant currency of the Company's revenue and operating cash flows is Indian Rupees (INR). Company has earnings in foreign currency. There is no foreign currency risk as there is no outstanding foreign currency exposure at the year end.

(i) Interest Rate Risk

The Company has taken term loans from bank and others (including loan assigned by banks on one time settlement). With respect to loans which are settled with banks or assigned to asset reconstruction companies aggregating to Rs. 27,378.79 lakhs as at 31st March 2019 (as at 31st March 2018 Rs. 31,183.04 lakhs), there is no interest payable. With respect to loan taken from bank during the year, interest rate is fixed and other borrowings attracts fixed rate of interest. Therefore, there are no interest rate risks, since neither the carrying amount nor the future cash flows will fluctuate because of change in market interest rates.

56 Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern so, that they can continue to provide returns for shareholders and benefits for other stakeholders and maintain an optimal capital structure to reduce cost of capital. The Company manages its capital structure and make adjustments to, in light of changes in economic conditions, and the risk characteristics of underlying assets. In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define the capital structure requirements.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. The ratio is calculated as net debt divided by equity. Net debt is calculated as total borrowing (including current and non-current terms loans as shown in the balance sheet).

The Company monitors capital using 'Total Debt' to 'Equity'. The Company's Total Debt to Equity are as follows:

Particulars	As at 31st March 2019	As at 31st March 2018
Total debt*	30,154.54	35,332.79
Total capital (total equity shareholder's fund)	(2,732.03)	(5,243.53)
Net debt to equity ratio	(11.04)	(6.74)

* Total debt = Non-current borrowings + current borrowings + current maturities of non-current borrowings

The notes referred to above form an integral part of the standalone financial statements
As per our audit report of even date

For N.A.Shah Associates LLP
Chartered Accountants
Firm Registration No. 116560W/ W100149

Sandeep Shah
Partner
Membership No. 37381

Place: Mumbai
Date: 27th May 2019

For and on behalf of the Board of Directors

Dr. Vithal V. Kamat
Executive Chairman & Managing Director
(DIN : 00195341)

Dinkar D. Jadhav
Director
(DIN : 01809881)

B.C.Kamdar
Director
(DIN : 01972386)

Smita Nanda
Chief Financial Officer

Shailesh Bhaskar
Company Secretary

Place: Mumbai
Date: 27th May 2019

Independent Auditors' Report

To,

The Members of

Kamat Hotels (India) Limited

Report on the audit of consolidated financial statements

Qualified opinion

We have audited the accompanying consolidated financial statements of **Kamat Hotels (India) Limited** (hereinafter referred to as "the Holding Company"), its five wholly owned subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and Joint Venture Entity ('JV'), comprising the Consolidated Balance Sheet as at 31st March, 2019, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of financial position of the Group as at 31st March 2019, and its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis of qualified opinion

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

With respect to one of the subsidiaries(Orchid Hotels Pune Private Limited) reference is invited to note 32.1(d) of notes to the consolidated financial statements. As against the lender's (International Asset Reconstruction Private Limited ('IARC')) claim upto 24th December 2018 of Rs. 42,110.91 lakhs, the liability as per the books is only Rs. 18,833.99 lakhs (this amount includes interest liability accounted in books upto 30th September 2013). IARC has acquired the loans on assignment from Asset Reconstruction Company India Limited ('ARCIL') at a consideration of Rs. 13,500 lakhs. Interest has not been provided from 1st October 2013 till 31st March 2019. In our opinion, the same is not in compliance with Ind AS 23- Borrowing Cost. In the opinion of the management, no further liability for interest is required to be accounted considering the proposal for amicable resolution of the settlement of the loan (including interest) is under process and management's expectation that settlement amount would not be higher than the amounts already recorded in the books. Further, the change in claim by the lender from 25th December 2018 till 31st March 2019 has not been considered above.

Had the provision been made based on the claim made by the lender, borrowing cost and the negative net worth as at 31st March 2019 would increase by the amount of difference in liability as stated above plus the interest from 25th December 2018 upto 31stMarch 2019, both of which have not been provided as per management view mentioned above.

The qualified opinion given above was also reported in our independent audit report for financial year 2017-2018 dated 28th May 2018.

Material uncertainty related to going concern

Attention is invited to note 51(i) to (iii) of notes to consolidated financial statement which indicates that there is material uncertainty related to continuity as going concern of Holding Company and two subsidiaries companies and note 51(iv) of the notes to the consolidated financial statements related to material uncertainty related to going concern at group level. In consolidated financial statements, material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern on account of accumulated losses, negative net worth and negative working capital in Holding company and two subsidiaries as mentioned in those notes. For preparation of standalone financial Statements of Holding Company and two subsidiaries, going concern assumption is considered appropriate by the management as appropriate steps are being taken to mitigate the impact of accumulated losses and improve the cash flows as mentioned in note 51(i) to (iii). In view of the above and in the opinion of management, the consolidated financial statements of the Group have also been prepared on a going concern basis.

Our opinion is not modified in respect of above matter. Further, the 'Material uncertainty related to going concern' para given above was also reported in our independent audit report for the financial year 2017-2018 dated 28th May 2018 and our opinion was not modified in the previous year also.

Emphasis of matter

Attention is invited to note 32.2 of notes to consolidated financial statements regarding dispute over lease rent payable to Government agency by one subsidiary (Orchid Hotels Pune Private Limited). Pending outcome of the dispute, the subsidiary company has accounted for the liability amounting to Rs. 1,146.24 lakhs (Previous year: Rs. 886.54 lakhs) for the period from 1st November 2014 to 31st March 2019; however, the same has not been paid. As per the management, interest/penalty, if any, will be accounted in the year in which dispute will be resolved.

Our opinion is not modified in respect of the above matters. Further, the 'Emphasis of Matter' given above was also reported in our independent audit report for the financial year 2017-2018 dated 28thMay 2018 and our opinion was not modified in the previous year also.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the 'Basis of Qualified Opinion', 'Material Uncertainty Related to Going Concern' and 'Emphasis of Matter' section above, we have determined the matter described below to be the key audit matter to be communicated in our report.

Key Audit Matter	How our audit addressed the Key Audit Matter
Provision for impairment of property, plant and equipment We refer to note 41.3 of notes to consolidated Financial Statement. The subsidiary company (Orchid Hotels Pune Private Limited) had provided for impairment loss on leasehold building amounted to Rs. 21,400.09 lakhs in previous year and there is net block of property, plant and equipment as at 31st March 2019 of Rs. 15,718.49 lakhs. Though there is improvement in business operations of the subsidiary company during the year, it has incurred loss during the year (without considering the effect of qualification as mentioned in para of basis of qualified opinion as mentioned above). This situation indicate that there may be further impairment losses.	We assessed the appropriateness of the carrying value of the tangible assets by performing the following audit procedures: - Assessed the valuation methodology used by management and tested the mechanical accuracy of the impairment models; - Evaluated the reasonableness of the valuation assumptions, such as discount rates, used by management through reference to external market data; - Verified the appropriateness of the business assumptions used by the management, such as revenue growth, profit margin, occupancy level. - Considered whether events or transactions that occurred after the balance sheet date but before the reporting date affect the conclusions reached on the carrying values of the assets and associated disclosures. We are satisfied that management's tangible impairments estimates are reasonable and in accordance with Ind AS and no further provision for impairment of property, plant and equipment is required to be made.
Disputed lease rent payable Refer 'Emphasis of Matter' para given above.	We have verified the status update of the legal case pending with Hon'ble High Court of Bombay and District Court. Also obtained management explanation for the status of legal dispute. We have drawn reference of the matter under 'Emphasis of Matter' para above.

Information other than the consolidated financial statements and auditor's report thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon. These reports are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and make other appropriate reporting as prescribed.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

The respective Board of directors of companies included in the Group and JV are also responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and JV and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Act, we are also responsible for expressing our opinion on whether the Holding Company and its subsidiary companies which are companies incorporated in India and its JV, 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 ability of the Group and its JV 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 consolidated 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 Group and its JV to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its JV to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. There are no other entities included in the consolidated financial statements, which have been audited by other auditors. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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 consolidated 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

As required by Section 143 (3) of the Act, we report that:

a) Except in respect of matter specified in the Basis for Qualified Opinion paragraph above, 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 for the aforesaid consolidated financial statements.

b) Except for the effects of the matters described in the Basis of Qualified Opinion paragraph above, in our opinion, proper books of account as required by law relating to preparation of the afore said consolidated financial statements have been kept so far as it appears from our examination of those books.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (Including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) Except for the effects of the matters described in the Basis of Qualified Opinion paragraph above which is not in accordance with Ind AS 23 – Borrowing Cost, in our opinion, the consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company, subsidiaries and joint venture entity as on 31st March 2019 taken on record by the Board of Directors of the Holding Company and these companies, none of the directors are disqualified as on 31st March 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f) The matters described in 'Basis of Qualified Opinion' paragraph, 'Material Uncertainty related to Going Concern' paragraph and 'Emphasis of Matter' paragraph, in our opinion may have an adverse impact on the functioning of the Group and JV.

g) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A" which is based on the auditor's reports of the companies included in the Group and JV incorporated in India.

h) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.

i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act. In respect of its subsidiary companies and one JV, these entities have not paid or provided for any managerial remuneration,hence section 197 of the Act is not applicable.

j) 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 impact of pending litigations, if any, on its financial position has been disclosed in consolidated financial statements- Refer note 32.2, 42.3 and 42.4.

   ii. The Group and JV did not have any long term contract including derivative contracts for which there are any material foreseeable losses.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company.

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No.: 116560W/W100149

Sandeep Shah
Partner
Membership No.: 37381

Place: Mumbai
Date:27th May 2019

Report on the internal financial controls under section 143(3)(i) of the Companies Act, 2013 ("the Act")

Opinion

In conjunction with our audit of the consolidated financial statements of Company as of and for the year ended 31st March 2019, we have audited the internal financial controls over financial reporting of **Kamat Hotels (India) Limited** (hereinafter referred to as "the Company" and "the Holding Company"),its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its Joint Venture Entity which are companies incorporated in India, as of that date.

In our opinion, the companies included in the Group and JV, have in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on the internal control over financial reporting criteria established by these companies, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Responsibilities of management and those charged with governance for internal financial controls over financial reporting

The respective Board of Directors of the companies included in the Company, its subsidiaries and JV incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by respective companies 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 (ICAI).These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' responsibility

Our responsibility is to express an opinion on the Internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on internal financial controls system over financial reporting of the Company, its subsidiaries and its joint venture entity, which are incorporated in India.

Meaning of internal financial controls over financial reporting

The internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. The Holding Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Holding Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Holding Company are being made only in accordance with authorizations of management and directors of the Holding Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Holding Company's assets that could have a material effect on the consolidated financial statements.

Inherent limitations of internal financial controls over financial reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No. 116560W/W100149

Sandeep Shah
Partner
Membership No. 37381

Place: Mumbai
Date: 27th May 2019

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2019

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

	Particulars	Note no.	As at 31st March 2019	As at 31st March 2018
	ASSETS			
A	**Non-current assets**			
	a) Property, plant and equipment	5	36,291.76	37,389.33
	b) Intangible assets	6	78.42	57.54
	c) Capital work-in-progress	7	27.34	48.21
	d) Intangible assets under development	8	3.45	-
	e) Investment property	9	1,082.50	1,107.29
	f) Financial assets			
	i) Investments in joint venture (accounted using equity method)	10	451.48	422.55
	ii) Investments	11	11.02	11.05
	iii) Loans	12	1,960.41	1,925.81
	g) Income tax assets (Net)	13	1,451.73	1,204.90
	h) Other non current assets	14	3,843.72	3,997.24
	(A)		**45,201.83**	**46,163.92**
B	**Current assets**			
	a) Inventories	15	336.36	344.69
	b) Financial assets			
	i) Investments	16	5.25	5.00
	ii) Trade receivables	17	1,263.75	1,688.02
	iii) Cash and cash equivalents	18	800.32	532.10
	iv) Bank balances other than (iii) above	19	157.81	81.12
	v) Loans	20	13.80	8.78
	vi) Other current financial assets	21	16.82	649.31
	c) Other current assets	22	600.92	802.44
	(B)		**3,195.03**	**4,111.46**
	TOTAL (A + B)		**48,396.86**	**50,275.38**
	EQUITY AND LIABILITIES			
A	**Equity**			
	a) Equity share capital	23	2,417.26	2,417.26
	b) Other equity	24	(17,201.15)	(18,892.68)
	(A)		**(14,783.89)**	**(16,475.42)**
	Liabilities			
B	**Non-current liabilities**			
	a) Financial liabilities			
	i) Borrowings	25	26,016.58	16,882.06
	ii) Other financial liabilities	26	110.49	153.91
	b) Provisions	27	322.42	231.38
	c) Deferred tax liabilities (Net)	28	2,655.08	1,560.07
	d) Other non-current liabilities	29	527.79	602.26
	(B)		**29,632.36**	**19,429.68**
C	**Current liabilities**			
	a) Financial liabilities			
	i) Short term borrowings	30	-	72.38
	ii) Trade payables	31		
	- Amount due to Micro and small enterprises		216.79	56.29
	- Amount due to other than Micro and small enterprises		1,835.33	1,977.18
	iii) Other financial liabilities	32	29,095.81	42,511.60
	b) Other current liabilities	33	2,074.31	2,419.23
	c) Provisions	34	326.15	284.44
	(C)		**33,548.39**	**47,321.12**
	TOTAL (A+B+C)		**48,396.86**	**50,275.38**
Significant accounting policies and notes to consolidated financial statements		**1 to 56**		

The notes referred to above form an integral part of the consolidated financial statements
As per our audit report of even date

For N.A.Shah Associates LLP
Chartered Accountants
Firm Registration No. 116560W/ W100149

For and on behalf of the Board of Directors

Sandeep Shah
Partner
Membership No. 37381

Place: Mumbai
Date: 27th May 2019

Dr. Vithal V. Kamat
Executive Chairman & Managing Director
(DIN : 00195341)

Dinkar D. Jadhav
Director
(DIN : 01809881)

B.C.Kamdar
Director
(DIN : 01972386)

Smita Nanda
Chief Financial Officer

Shailesh Bhaskar
Company Secretary

Place: Mumbai
Date: 27th May 2019

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

	Particulars	Note no.	Year ended 31st March 2019	Year ended 31st March 2018
A	**Income**			
	Revenue from operations	35	23,609.00	20,052.84
	Other income	36	211.35	522.94
	Total income (A)		**23,820.35**	**20,575.78**
B	**Expenses**			
	Cost of food and beverages consumed	37	2,260.80	2,045.40
	Employee benefit expenses	38	5,539.06	4,865.72
	Finance costs	39	2,205.07	1,574.40
	Depreciation and amortisation	5, 6 & 9	1,834.11	2,289.03
	Other expenses	40	8,610.53	7,962.30
	Total expenses (B)		**20,449.57**	**18,736.85**
C	**Profit before share of profit / (loss) of joint venture, exceptional items & tax (A - B) (C)**		**3,370.78**	**1,838.93**
D	Share of profit from joint venture accounted for using equity method		28.93	137.93
E	**Profit before exceptional items & tax (C + D) (E)**		**3,399.71**	**1,976.86**
F	Exceptional item - Income/(expense) - net	41	(634.44)	(19,952.05)
G	**Profit before tax (E - F)**		**2,765.27**	**(17,975.19)**
H	**Tax expense:**			
	- Current tax	13	100.01	-
	- MAT credit availed		(0.11)	-
	- Income tax for earlier years		0.67	8.98
	- Deferred tax charge/ (credit)	28	946.17	1,235.53
	- Deferred tax charge/ (credit) for prior period		29.97	-
	Total tax expense (E)		**1,076.71**	**1,244.51**
I	**Profit/(loss) after tax (G - H) (I)**		**1,688.56**	**(19,219.70)**
J	**Other comprehensive income / (loss)**			
	a) (i) Items not to be reclassified subsequently to Statement of Profit and Loss			
	- Remeasurement of defined benefit plans - gain/(loss)		4.84	9.59
	(ii) Income tax relating to items that will be classified to profit or loss		(1.87)	1.67
	b) (i) Items that will be reclassified subsequently to statement of Profit and Loss		-	-
	(ii) Income tax relating to items that will be classified to profit or loss		-	-
	Other comprehensive income/ (loss) for the year (J)		**2.97**	**11.26**
K	**Total comprehensive income/ (loss) for the year (I + J)**		**1,691.53**	**(19,208.44)**
L	**Profit/(loss) for the year attributable to:**			
	a) To owners of parent		1,688.56	(19,219.70)
	b) To Non controlling interest		-	-
M	**Other comprehensive income/(loss) attributable to:**			
	a) To owners of parent		2.97	11.26
	b) To Non controlling interest		-	-
N	**Total comprehensive income/(loss) attributable to:**			
	a) To owners of parent		1,691.53	(19,208.44)
	b) To Non controlling interest		-	-
	Basic and diluted earnings/ (loss) per share	46	**7.16**	**(81.49)**
	Equity shares [Face value of Rs. 10 each]			
	Significant accounting policies and notes to consolidated financial statements	**1 to 56**		

The notes referred to above form an integral part of the consolidated financial statements
As per our audit report of even date

For N.A.Shah Associates LLP
Chartered Accountants
Firm Registration No. 116560W/ W100149

Sandeep Shah
Partner
Membership No. 37381

Place: Mumbai
Date: 27th May 2019

For and on behalf of the Board of Directors

Dr. Vithal V. Kamat
Executive Chairman & Managing Director
(DIN : 00195341)

Dinkar D. Jadhav
Director
(DIN : 01809881)

B.C.Kamdar
Director
(DIN : 01972386)

Smita Nanda
Chief Financial Officer

Shailesh Bhaskar
Company Secretary

Place: Mumbai
Date: 27th May 2019

Consolidated statement of changes in equity for the year ended 31st March 2019

(a) Equity share capital

Particulars	As at 31st March 2019	As at 31st March 2018
Opening balance	2,417.26	2,417.26
Changes in equity share capital during the year	-	-
Closing balance	**2,417.26**	**2,417.26**

(Refer note 23)

(b) Other equity

Particulars	Reserves & surplus					OCI*	Total other equity
	Capital Reserve	Capital Redemption Reserve	Securities Premium	Amalgamation Reserve	Retained Earnings	Remeasurement gain/ (loss) of defined benefit plan	
Balance as at 1st April, 2017	13.87	266.50	14,986.74	280.06	(15,179.33)	14.76	382.61
Profit/(loss) for the year	-	-	-	-	(19,219.70)	-	(19,219.70)
Other comprehensive income/ (loss) for the year (net)	-	-	-	-	-	11.26	11.26
Prior period adjustments (Refer note 24.5)	-	-	-	-	(66.85)	-	(66.85)
Balance as at 31st March 2018	**13.87**	**266.50**	**14,986.74**	**280.06**	**(34,465.88)**	**26.02**	**(18,892.68)**
Profit/(loss) for the year	-	-	-	-	1,688.56	-	1,688.56
Other comprehensive income/ (loss) for the year	-	-	-	-	-	2.97	2.97
Balance as at 31st March 2019	**13.87**	**266.50**	**14,986.74**	**280.06**	**(32,777.32)**	**28.99**	**(17,201.15)**

(Refer note 24)

*Other comprehensive income

As per our audit report of even date

For N.A.Shah Associates LLP
Chartered Accountants
Firm Registration No. 116560W/ W100149

Sandeep Shah
Partner
Membership No. 37381

Place: Mumbai
Date: 27th May 2019

For and on behalf of the Board of Directors

Dr. Vithal V. Kamat
Executive Chairman & Managing Director
(DIN : 00195341)

Dinkar D. Jadhav
Director
(DIN : 01809881)

B.C.Kamdar
Director
(DIN : 01972386)

Smita Nanda
Chief Financial Officer

Shailesh Bhaskar
Company Secretary

Place: Mumbai
Date: 27th May 2019

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

	Particulars	Note	Year ended 31st March 2019	Year ended 31st March 2018
A.	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Profit /(loss) before taxes		2,765.27	(17,975.19)
	Adjustments for:			
	Finance cost		2,205.07	1,574.40
	Interest income		(114.81)	(275.72)
	Depreciation and amortization		1,834.11	2,289.03
	Bad debts and advances written off		247.25	19.19
	Provision for expected credit loss		63.57	345.02
	Loss on sale/ discard of fixed assets (Including exceptional item of Nil (Previous year: Rs. 95.79 lakhs)		23.63	277.82
	Capital advance written off (exceptional item)		634.44	-
	Dividend income		(0.43)	(0.43)
	Provision for impairment loss (exceptional item)		-	21,423.95
	Share of profit of joint venture (accounted as per equity method)		(28.93)	(137.93)
	Interest provision no longer required written back on settlement of loan dues (Net) (exceptional item)		-	(1,567.69)
	Investment written off		-	0.11
	Operating profit / (loss) before working capital changes		**7,629.17**	**5,972.56**
	Movements in working capital : [Including Current and Non-current]			
	(Increase) / decrease in loans, trade receivable and other assets		428.15	4,510.90
	(Increase) / decrease in Inventories		8.35	177.11
	Increase / (decrease) in trade payable, other liabilities and provisions		48.91	860.68
			8,114.58	**11,521.25**
	Adjustment for:			
	Direct taxes paid (including tax deducted at source) (net of refund)		(220.11)	(63.52)
	Net cash generated/ (used in) from operating activities…(A)		**7,894.47**	**11,457.73**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Purchase of property, plant and equipment (Including capital work in progress and capital advances)		(774.33)	(414.13)
	Sale of property, plant and equipment		12.33	19.05
	Investment made		-	(1.26)
	Loan received back		-	33.88
	(Increase)/decrease in fixed deposit (not considered as cash and cash equivalent)		-	-
	Interest income		108.41	307.99
	Dividend income		0.43	0.43
	Proceeds from sale/ redemption of investment		(0.22)	92.26
	(Increase)/decrease in bank balance [Current and non-current] (other than cash and cash equivalent)		(18.46)	(36.43)
			(671.84)	**1.79**
	Adjustment for:			
	Direct taxes (paid)/ refund received (including tax deducted at source) - (Net)		(10.29)	(26.41)
	Net cash (used in) / from investing activities… (B)		**(682.13)**	**(24.62)**

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

	Particulars	Note	Year ended 31st March 2019	Year ended 31st March 2018
C.	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Proceeds from long term borrowings		2,838.19	10,025.07
	Repayment of long term borrowings		(8,015.59)	(18,018.61)
	Proceeds from short term borrowings		17.21	341.50
	Repayment of short term borrowing		(72.38)	(111.75)
	Interest paid (Including other borrowing cost)		(2,129.78)	(3,932.32)
	Net cash (used in) / from financing activities… (C)		**(7,362.35)**	**(11,696.11)**
	Net increase / (decrease) in cash and cash equivalents (A+ B+C)		**(150.01)**	**(263.00)**
	Cash and cash equivalents at beginning of the year		531.32	794.32
	Cash and cash equivalents at end of the year		381.31	531.32
	Net increase / (decrease) in cash and cash equivalents		**(150.01)**	**(263.00)**

Notes:

(i) Cash flow statement has been prepared as per "indirect method" as set out in Ind AS 7 - "Cash Flow Statement"

(ii) Breakup of cash and cash equivalent is as given below:

Particulars	As at 31st March 2019	As at 31st March 2018
Cash and cash equivalent as per note 18	800.32	531.32
Less: bank balance - book overdraft as per note 32	(419.01)	-
Net cash and cash equivalent	**381.31**	**531.32**

(iii) Refer note 49 for other cash flow statement related notes.

Significant accounting policies and notes to consolidated financial statements **1 to 56**

The notes referred to above form an integral part of the consolidated financial statements

As per our audit report of even date

For N.A.Shah Associates LLP
Chartered Accountants
Firm Registration No. 116560W/ W100149

Sandeep Shah
Partner
Membership No. 37381

Place: Mumbai
Date: 27th May 2019

For and on behalf of the Board of Directors

Dr. Vithal V. Kamat
Executive Chairman & Managing Director
(DIN : 00195341)

Dinkar D. Jadhav
Director
(DIN : 01809881)

B.C.Kamdar
Director
(DIN : 01972386)

Smita Nanda
Chief Financial Officer

Shailesh Bhaskar
Company Secretary

Place: Mumbai
Date: 27th May 2019

Notes on Consolidated financial statements for the year ended 31st March 2019

1. **Background**

Kamat Hotels (India) Limited (hereinafter referred to as ‘the Parent Company’, ‘the Company’ or ‘Holding Company’) is a public Company domiciled in India. Holding company together with its wholly owned subsidiary (‘subsidiaries’) is referred to as “the Group”. The Holding Company’s shares are listed on two stock exchanges in India. The Groupand joint venture entity is in the hospitality business. Currently, it has hotels in the states of Maharashtra (Mumbai, Pune, Nashik, Murud), Goa (Benaulim) and Orissa (Puri, Konark and Bhubneshwar).

The financial statements of the Group for the year ended 31st March 2019 were approved and adopted by board of directors in their meeting held on 27th May 2019.

2. **Basis of preparation, principles of consolidation and equity accounting, critical accounting estimates and judgements, significant accounting policies and recent accounting pronouncements**

2.1. Principles of consolidation

(a) Subsidiaries

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of that entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intra-Group transactions, balances and unrealised gains on transactions between entities within the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and the Consolidated Balance Sheet respectively.

(b) Joint Venture

Joint ventures are joint arrangements whereby the parties that have joint control of the arrangements have rights to the net assets and obligations for the liabilities, relating to the arrangement. Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the Consolidated Balance sheet.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group’s share of the post-acquisition profits or losses of the investee in the Consolidated Statement of Profit and Loss, and the Group’s share of other comprehensive income of the investee in Other Comprehensive Income. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment. When the Group’s share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealised gains on transactions between the Group and its Joint Ventures are eliminated to the extent of the Group’s interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group. The carrying amount of equity accounted investments are tested for impairment.

The financial statements of subsidiaries and joint venture consolidated are drawn upto the same reporting date as that of the Holding Company.

(c) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity. When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in Other Comprehensive Income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in Other Comprehensive Income are reclassified to the Statement of Profit and Loss. If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in Other Comprehensive Income are reclassified to the Statement of Profit and Loss where appropriate

(d) Goodwill

i. Goodwill comprises the portion of the purchase price for an acquisition that exceeds the Group’s share in the identifiable assets, with deductions for liabilities, calculated on the date of acquisition.

ii. Goodwill arising from the acquisition of associates and joint ventures is included in the carrying value of the investment in associates and joint ventures.

iii. Goodwill is deemed to have an indefinite useful life and is reported at acquisition value with deduction for accumulated impairments. An impairment test of goodwill is conducted once every year or more often if there is an indication of a decrease in value. The impairment loss on goodwill is reported in the statement of profit and loss. The impairment assessment is based on value in use. The recoverable amount is calculated based on value in use which has been determined based on business plans that have been approved by management for internal purposes. Key assumptions used for calculation of value in use are Earnings before interest and taxes (EBIT), Discount rate, Growth rates and Capital expenditures.

(e) The subsidiaries and jointly controlled entity (all incorporated in India) considered in consolidated financial statements and its country of incorporation is as tabulated below:

Sr. no.	Name of the entity	Proportion of interest (including beneficial interest) / voting power (either directly/ indirectly through subsidiary)	
		As at 31st March 2019	**As at 31st March 2018**
	Subsidiary Companies		
1	Orchid Hotels Pune Private Limited	100%	100%
2	Kamat Restaurants (India) Private Limited	100%	100%
3	Fort Jadhavgadh Hotels Private Limited	100%	100%
4	Mahodadhi Palace Private Limited	100%	100%
5	Orchid Hotel Eastern (India) Private Limited (Formerly known as Green Dot Restaurants Private Limited)	100%	100%
	Jointly Controlled Entity		
6	Ilex Developers & Resorts Limited	32.92%	32.92%

2.2. Statement of compliance with Ind AS

The financial statements (on consolidated basis) of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time [Also refer note 32.1(d)].

2.3. Functional and presentation of currency

The financial statements are prepared in Indian Rupees which is also the Group's functional currency. All amounts are rounded to the nearest rupees in lakhs.

2.4. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal market or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:

Level 1 – Unadjusted quoted price in active markets for identical assets and liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – unobservable inputs for the asset or liability

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy.

Fair values have been determined for measurement and / or disclosure purpose using methods as prescribed in "Ind AS 113 Fair Value Measurement".

2.5. Use of significant accounting estimates, judgements and assumptions

The preparation of these consolidated financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosure of contingent liabilities as on the date of consolidated financial statements and reported amounts of income and expenses for the periods presented. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Significant estimates and critical judgement in applying these accounting policies are described below:

i) Property, plant & equipment and Intangible assets

The Group has estimated the useful life, residual value and method of depreciation / amortisation of property, plant & equipment and intangible assets based on its internal technical assessment. Property, plant & equipment and intangible assets represent a significant proportion of the asset base of the Group. Further, the Group has estimated that scrap value of property, plant & equipment would be able to cover the residual value & decommissioning costs of property, plant & equipment.

Therefore, the estimates and assumptions made to determine useful life, residual value, method of depreciation / amortisation and decommissioning costs are critical to the Group's financial position and performance.

ii) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on industry practice, Group's past history and existing market conditions as well as forward looking estimates at the end of each reporting period.

iii) Impairment of property plant and equipment

In the previous year, management of the subsidiary company (OHPPL) had reviewed the recoverable value in respect to net block of fixed assets and based on such assessment (including offers received pursuant to action initiated by the lender) provision for impairment loss amounting to Rs. 21,400.09 was recognised. In the current year, based on assessment of estimate of working of net present value of CGU, no further impairment provision is required to be made.

iv) Contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies / claim / litigations against the Group as it is not possible to predict the outcome of pending matters with accuracy.

v) Income taxes

Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the statement of profit and loss.

vi) Measurement of defined benefit plan & other long term benefits

The cost of the defined benefit gratuity plan / other long term benefits and the present value of the gratuity obligation / other long term benefits are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation / other long term benefits is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

vii) Loyalty programme

The Group estimates the fair value of points awarded under the Loyalty programme based on past use of points by customer and expect use in future for loyalty points.

viii) Going concern

Material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern on account of accumulated losses, negative net worth and negative working capital in Holding company and two subsidiaries. For preparation of standalone financials statements of Holding Company and two subsidiaries, going concern assumption is considered appropriate by the management as appropriate steps are being taken to mitigate the impact of accumulated losses and improve the cash flows as mentioned in note 51(i) to 51(iv). In view of the above and in the opinion of management, the consolidated financial statements of the Group have also been prepared on a going concern basis.

3. **Significant Accounting Policies**

3.1. Presentation and disclosure of consolidated financial statement

All assets and liabilities have been classified as current and non-current as per Group's normal operating cycle and other criteria set out in the division II of Schedule III of the Companies Act, 2013 for a group whose financial statements are made in compliance with the Companies (India Accounting Standards) Rules, 2015.

Based on the nature of service i.e. hospitality and the time between rendering of services and their realization in cash and cash equivalents, 12 months has been considered by the Group for the purpose of current / non-current classification of assets and liabilities.

3.2. Property, Plant and Equipment and Depreciation

Recognition and measurement

Properties plant and equipment are stated at their cost of acquisition. Cost of an item of property, plant and equipment includes purchase price including non-refundable taxes and duties, borrowing cost directly attributable to the qualifying asset, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and the present value of the expected cost for the dismantling/decommissioning of the asset.

Parts (major components) of an item of property, plant and equipments having different useful livesare accounted as separate items of property, plant and equipments.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Capital work-in-progress comprises of cost incurred on property, plant and equipment under construction / acquisition that are not yet ready for their intended use at the Balance Sheet Date.

Depreciation and useful lives

Depreciation on the property, plant and equipment (other than freehold land and capital work in progress) is provided on a straight-line method (SLM) over their useful lives which is in consonance of useful life mentioned in Schedule II to the Companies Act, 2013.

Building on leasehold lands and improvements to building on leasehold land / premises are amortized over the period of lease or useful life whichever is lower. Capital expenditure on rebranding and upgradation of the hotel property are amortized over the period of 3 years. Capital expenditure on rebranding and upgradation of the hotel property are amortized over the period of 3 years.

Leasehold land considered as finance lease is amortized over the period of lease.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted prospectively.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is de-recognised.

3.3. Intangible assets and amortisation

Recognition and measurement

Intangible assets are recognized only if it is probable that the future economic benefits attributable to asset will flow to the Group and the cost of asset can be measured reliably. Intangible assets are stated at cost of acquisition/development less accumulated amortization and accumulated impairment loss if any.

Cost of an intangible asset includes purchase price including non - refundable taxes and duties, borrowing cost directly attributable to the qualifying asset and any directly attributable expenditure on making the asset ready for its intended use.

Intangible assets under development comprises of cost incurred on intangible assets under development that are not yet ready for their intended use as at the Balance Sheet date.

Amortization and useful lives

- Computer softwares are amortized in 10 years on straight line basis.
- Branding cost incurred are amortised over the period of 3 years.

In case of assets purchased during the year, amortization on such assets is calculated on pro-rata basis from the date of such addition. Amortisation methods and useful lives are reviewed at each financial year end and adjusted prospectively.

3.4. Investment property and depreciation

Investment Property is property (land or a building – or a part of a building – or both) held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in production or supply of goods and services or for administrative purposes. Investment properties are stated at cost net of accumulated depreciation and accumulated impairment losses, if any.

Any gain or loss on disposal of investment property calculated as the difference between net proceeds from disposal and the carrying amount of Investment Property is recognized in Statement of Profit and Loss.

Depreciation and useful lives

Depreciation on the investment property (other than freehold land) is provided on a straight-line method (SLM) over their useful lives which are in consonance of useful life mentioned in Schedule II to the Companies Act, 2013.

Building on leasehold lands and improvements to building on leasehold land / premises are amortized over the period of lease or useful life whichever is lower. Capital expenditure on rebranding and upgradation are amortized over the period of 3 years.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted prospectively.

3.5. Impairment of non-financial assets

The carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of a) fair value of assets less cost of disposal and b) its value in use. Value in use is the present value of future cash flows expected to derive from an assets or Cash-Generating Unit (CGU).

Based on the assessment done at each balance sheet date, recognised impairment loss is further provided or reversed depending on changes in circumstances. After recognition of impairment loss or reversal of impairment loss as applicable, the depreciation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life. If the conditions leading to recognition of impairment losses no longer exist or have decreased, impairment losses recognised are reversed to the extent it does not exceed the carrying amount that would have been determined after considering depreciation / amortisation had no impairment loss been recognised in earlier years.

3.6. Inventories

Inventories comprises of stock of food, beverages, stores and operating supplies and are valued at lower of cost (computed on weighted average basis) or net realizable value. Purchase of operating supplies (other than initial acquisition during the pre-commencement of the hotel and commencement of new restaurants / outlets) is charged to statement of profit and loss in the year of consumptions. The Cost comprises of cost of purchases, duties and taxes (other than those subsequently recoverable) and other costs incurred in bringing them to their present location and condition. Cost of inventories is arrived at after providing for cost of obsolescence.

3.7. Revenue recognition

In the FY 2017-2018 revenue was recognized based on Ind AS 18 – Revenue. Effective from 1st April 2018, Ind AS 115, "Revenue from Contracts with Customers" has replaced Ind AS 18. Group has adopted Ind AS 115 from 1st April 2018.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government and discounts given to the customers.

(i) Revenue from sale of rooms, banquets, food & beverages and allied services are recognised upon rendering of service. Revenue is recognized net of indirect taxes.

(ii) Initial non-refundable membership fee is recognised as income over the period of validity of membership which reflects the expected utilization of membership benefits.

(iii) Annual membership fees collected from members [in respect of both under refundable and non-refundable membership scheme] are recognised as income on time proportion basis.

(iv) Management fees under hotel management arrangement are recognised in accordance with terms of the arrangement.

(v) The Group operates loyalty programme, which allows its eligible customers to earn points based on their spending at the hotels. The points so earned by such customers are accumulated. The revenues allocated to award points is deferred and revenue is recognised on redemption of the award points towards the services utilized.

(vi) Dividend income on investments is accounted for in the year in which the right to receive is established, which is generally when shareholders approve the dividend.

(vii) For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the statement of profit and loss.

(viii) Income from rentals are recognized as an income in the Statement of Profit and Loss on a straight-line basis over the lease term except where scheduled increase in rent compensates the Group with expected inflationary costs.

(ix) Export incentives / benefits

Export incentives / benefits are recognised as income in the statement of profit and loss when the right to receive payment/credit is established and no significant uncertainty as to measurability or collectability exists.

3.8. Government grants

Government grants are recognized in the period to which they relate when there is reasonable assurance that the grant will be received and that the Group will comply with the attached conditions. Government grants are recognized in the statement of profit and loss on systematic basis over a period in which the Group recognizes as expenses the related costs for which the grants are intended to compensate.

3.9. Foreign currency transaction

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. As at the Balance Sheet date, foreign currency monetary items are translated at closing exchange rate. Exchange difference arising on settlement or translation of foreign currency monetary items are recognised as income or expense in the year in which they arise.

Foreign currency non-monetary items which are carried at historical cost are reported using the exchange rate at the date of transactions.

3.10. Employee benefits

- Short term employee benefits

  All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss in the period in which the employee renders the related service.

- Post-employment benefits& other long term benefits

  a. Defined contribution plan

     The defined contribution plan (where applicable) is a post-employment benefit plan under which the Group contributes fixed contribution to a Government Administered Fund and will have no obligation to pay further contribution. The Group’s defined contribution plan comprises of Provident Fund, Labour Welfare Fund and Employee State Insurance Scheme. The Group’s contribution to defined contribution plans are recognized in the Statement of Profit and Loss in the period in which the employee renders the related service.

  b. Post-employment benefitand other long term benefits

The Group has defined benefit plans (where applicable) comprises of gratuity and other long term benefits in the form of leave benefits and long service rewards. In case of Holding Company, obligation towards gratuity liability is funded plan and is managed by Life Insurance Corporation of India (LIC) and in case of subsidiaries it is unfunded. The present value of the defined benefit obligations and certain other long term employee benefits [privilege leave and sick leave] is determined based on actuarial valuation using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations.

For gratuity plan, re-measurements comprising of (a) actuarial gains and losses, (b) the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and (c) the return on plan assets (excluding amounts included in net interest on the post-employment benefits liability) are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Such re-measurements are not reclassified to statement of profit and loss in subsequent periods.

The expected return on plan assets is the Group’s expectation of average long-term rate of return on the investment of the fund over the entire life of the related obligation. Plan assets are measured at fair value as at the Balance Sheet date.

The interest cost on defined benefit obligation and expected return on plan assets is recognised under finance cost.

Gains or losses on the curtailment or settlement of defined benefit plan are recognised when the curtailment or settlement occurs.

Actuarial gains or losses arising on account of experience adjustment and the effect of changes in actuarial assumptions for other employee benefit plan [other than gratuity] are recognized immediately in the Statement of Profit and Loss as income or expense.

The cost of providing benefit under long service awards scheme is determined on the basis of estimated average cost of providing service and calculated arithmetically considering materiality.

3.11. Borrowing cost

Borrowing costs (net of interest income on temporary investments) that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the respective asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Ancillary cost of borrowings in respect of loans not disbursed are carried forward and accounted as borrowing cost in the year of disbursement of loan. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest expenses calculated as per effective interest method, exchange difference arising from foreign currency borrowings to the extent they are treated as an adjustment to the borrowing cost and other costs that an entity incurs in connection with the borrowing of funds.

3.12. Leases

The Group determines whether an arrangement contains a lease by assessing whether the fulfillment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to use that asset to the Group in return for payment. Where this occurs, the arrangement is deemed to include a lease and is accounted for either as finance or operating lease. Leases are classified as finance leases where the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Where Group is lessee

Operating lease - Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where scheduled increase in rent compensates the Group with expected inflationary costs. Payment for leasehold land is amortised over the period of lease or useful life whichever is lower.

Finance lease – Finance leases are capitalised at the commencement of lease, at the lower of the fair value of the property or the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the Statement of Profit and Loss over the period of the lease.

Where Group is lessor

Assets given on leases where a significant portion of risk and rewards of ownership are retained by the Group are classified as operating leases. Lease rental income are recognised in the Statement of Profit and Loss on straight-line basis except where scheduled increase in rent compensate the lessor for expected inflationary costs.

3.13. Taxes on income

Tax expenses for the year comprises of current tax, deferred tax charge or credit and adjustments of taxes for earlier years. In respect of amounts adjusted outside profit or loss (i.e. in other comprehensive income or equity), the corresponding tax effect, if any, is also adjusted outside profit or loss.

Provision for current tax is made as per the provisions of Income Tax Act, 1961.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, and deferred tax assets are recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which such deferred tax assets can be utilized. In situations where there is unused tax losses and unused tax credits, deferred tax assets are recognised only if it is probable that they can be utilized against future taxable profits. Deferred tax assets are reviewed for the appropriateness of their respective carrying amounts at each Balance Sheet date.

Minimum Alternative Tax (“MAT”) credit is recognised as an asset only when and to the extent it is probable that Group will pay normal income tax during the specified period.

At each reporting date, the Group re-assesses unrecognised deferred tax assets. It recognises previously unrecognised deferred tax assets to the extent that it has become probable that future taxable profit allow deferred tax assets to be recovered.

3.14. Cash and cash equivalent

Cash and cash equivalents include cash in hand, bank balances, deposits with banks (other than on lien) and all short term and highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

For the purpose of cash flow statement, cash and cash equivalent as calculated above also includes outstanding bank overdrafts as they are considered an integral part of the Group’s cash management.

3.15. Cash flow statement

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

3.16. Provisions, contingent liabilities,contingent assets

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

The Group does not recognize a contingent asset but discloses its existence in the financial statements if the inflow of economic benefits is probable. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

3.17. Earnings per share

Basic earnings per share is computed using the net profit for the year attributable to the shareholders' and weighted average number of shares outstanding during the year. The weighted average numbers of shares also includes fixed number of equity shares that are issuable on conversion of compulsorily convertible preference shares, debentures or any other instrument, from the date consideration is receivable (generally the date of their issue) of such instruments.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholder' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

3.18. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.18.1. Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

Investments in equity instruments at FVTOCI

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- It has been acquired principally for the purpose of selling it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument or a financial guarantee. Dividends on these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss are included in the 'Other income' line item.

Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Group recognizes loss allowances using the expected credit loss (ECL) model based on 'simplified approach' for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the twelve month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in statement of profit and loss.

De-recognition of financial asset

The Group de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On de-recognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

3.18.2. Financial liability and equity instrument

Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs. Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for de-recognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

  A financial liability other than a financial liability held for trading or contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Group that are designated by the Group as at fair value through profit or loss are recognised in profit or loss.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability or (where appropriate) a shorter period, to the gross carrying amount on initial recognition.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

Commitments to provide a loan at a below-market interest rate

Commitments to provide a loan at a below-market interest rate are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

Compound financial instruments

The liability component of a compound financial instrument is recognised initially at fair value of a similar liability that does not have an equity component. The equity component is recognised initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and the equity components, if material, in proportion to their initial carrying amounts.

Subsequent to the initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest rate method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Reclassification

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

De-recognition of financial liabilities

The Group de-recognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in profit or loss.

4. **New standards**

4.1. New Accounting standards adopted by the Group:

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the Group's financial statements for the year ended 31st March 2018, except for the adoption of amendments and interpretations effective as of April 1, 2018.

Ind AS 115 – Revenue from contract with customers

On 1st April 2018, Group adopted Ind AS 115, "Revenue from Contracts with Customers". The adoption of the new standard did not have impact on recognition of revenue during the year as well as previous year.

4.2. New standard issued/existing standards modified but not effective and hence not adopted:

The following standards issued/modified by MCA becomes effective w.e.f. 1st April 2019

Particulars	Effective date
New standard issued*	
Ind AS 116 – Leases	1st April 2019
Modification to existing Ind AS *	
Ind AS 12 – Income taxes [Uncertainty over Income tax Treatment and Clarification for recognition of income tax consequences of dividends in profit or loss]	1st April 2019
Ind AS 109– Financial Instruments	1st April 2019
Ind AS 28 Investment in Associate and Joint Venture	1st April 2019
Ind AS 111– Joint Arrangements&Ind AS 103 – Business Combination	1st April 2019
Ind AS 19 –Employee Benefits	1st April 2019
Ind AS 23 – Borrowing Costs	1st April 2019
Standard omitted and replaced by Ind AS 116.	
Ind AS 17– Leases	

* Does not include modification to existing other Ind AS due to issue of new Ind AS.

Ind AS 116 – Leases

MCA has issued Ind AS 116 – 'Leases' which is effective from 1st April 2019. Ind AS 116 will replace the existing leases standard, Ind AS 17 – Leases. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both the lessee and the lessor. Group is evaluating the impact of this revised standard on its financials.

Ind AS 12 – Income taxes [Change related uncertainty over income tax treatments]

Group does not have any significant uncertainty related to income tax matters.

Ind AS 12 Income Taxes [Clarification for recognition of income tax consequences of dividends in profit or loss]

Group does not expect any impact of the changes made in the existing standard related recognition of income tax consequences of dividends in profit or loss.

Ind AS 109 – Financial Instruments[Prepayment Features with Negative Compensation]

Group does not have any significant impact of changes made in this existing standard.

Ind AS 28- Investment in Associate and Joint Venture

Amendment in Ind AS 28 wherein it is clarified that Ind AS 109 to Financial Instruments to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. Group does not have any long-term interests in associates and joint ventures.

Ind AS 103 Business Combinations and Ind AS 111 Joint Arrangements [Clarification in relation to obtaining control of a business that is joint operation]

Group will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

Ind AS 19 – Employee Benefits [Clarification related to plan amendment, curtailment or settlement]

Amendments to Ind AS 19 to clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the remeasurement are determined using the assumptions used for the remeasurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. Group does not expect this amendment to have any significant impact on its financial statements.

Ind AS 23 Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. Group does not expect any impact from this pronouncement.

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

5 Property, plant and equipment	Freehold land	Leasehold land (Financial lease)	Building	Leasehold improvements (Refer note 5.2 & 5.3)	Plant & equipment	Furniture & fixtures	Vehicles	Office equipments	Total
Gross carrying value as at 1st April, 2017	2,561.08	361.82	6,512.10	49,282.02	4,236.87	355.80	25.64	50.78	63,386.11
Additions during the year 2017-2018	-	-	-	10.23	232.15	31.78	-	26.22	300.38
Deletions during the year 2017-2018	-	-	0.74	114.83	264.11	6.67	4.17	1.03	391.55
Balance as at 31st March, 2018	**2,561.08**	**361.82**	**6,511.36**	**49,177.42**	**4,204.91**	**380.91**	**21.47**	**75.97**	**63,294.94**
Additions during the year 2018-2019	-	-	-	444.23	241.88	24.64	8.48	18.41	737.64
Deletions during the year 2018-2019	-	-	-	13.30	21.80	2.83	0.54	0.02	38.48
Balance as at 31st March 2019	**2,561.08**	**361.82**	**6,511.36**	**49,608.35**	**4,424.99**	**402.72**	**29.41**	**94.37**	**63,994.10**
Accumulated depreciation	-	9.83	149.64	1,428.88	655.78	85.77	3.55	11.91	2,345.35
Additions during the year 2017-2018	-	9.83	135.89	1,403.50	617.21	72.02	2.86	14.20	2,255.51
Deletions during the year 2017-2018	-	-	0.02	21.28	69.12	4.16	0.39	0.38	95.35
Impairment loss	-	-	-	21,400.09	-	-	-	-	21,400.09
Balance as at 31st March, 2018	**-**	**19.66**	**285.51**	**24,211.19**	**1,203.87**	**153.63**	**6.02**	**25.73**	**25,905.60**
Additions during the year 2018-2019	-	5.88	132.89	1,078.02	490.72	71.35	3.42	17.24	1,799.52
Deletions during the year 2018-2019	-	-	-	0.45	2.28	0.05	-	-	2.78
Balance as at 31st March,2019	**-**	**25.54**	**418.40**	**25,288.76**	**1,692.31**	**224.93**	**9.44**	**42.97**	**27,702.34**
Net carrying amount									
Balance as at 31st March, 2018	2,561.08	342.16	6,225.85	24,966.23	3,001.04	227.28	15.45	50.24	37,389.33
Balance as at 31st March, 2019	**2,561.08**	**336.28**	**6,092.96**	**24,319.59**	**2,732.68**	**177.79**	**19.97**	**51.40**	**36,291.76**

Notes:

5.1 For details of assets given as security, refer note 25.1 and 32.1(b).

5.2 The leasehold improvements are constructed on land taken under operating /financial lease.

5.3 Addition to building on lease hold land and lease hold improvement includes capital expenditure of Rs. 380.92 lakhs (Previous year: Nil) for rebranding and upgradation of the hotel property in one of the subsidiary company (Orchid Hotels Pune Private Limited).

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

6	Other intangible assets	Software	Total
	Gross carrying value as at 1st April, 2017	39.46	39.46
	Additions during the year 2017-2018	32.24	32.24
	Deletions during the year 2017-2018	5.32	5.32
	Balance as at 31st March, 2018	**66.38**	**66.38**
	Additions during the year 2018-2019	30.93	30.93
	Deletions during the year 2018-2019	0.34	0.34
	Balance as at 31st March,2019	**96.97**	**96.97**
	Accumulated depreciation	4.98	4.98
	Additions during the year 2017-2018	8.51	8.51
	Deletions during the year 2017-2018	4.65	4.65
	Balance as at 31st March, 2018	**8.84**	**8.84**
	Additions during the year 2018-2019	9.79	9.79
	Deletions during the year 2018-2019	0.09	0.09
	Balance as at 31st March,2019	**18.55**	**18.55**
	Net carrying amount		
	Balance as at 31st March, 2018	57.54	57.54
	Balance as at 31st March, 2019	**78.42**	**78.42**

6.1 Software is other than internally generated software.

6.2 Balance useful life of intangible as at 31st March 2019 is 1 to 9 years (Previous year: 1 to 9 years).

7	Capital work in progress	As at 31st March 2019	As at 31st March 2018
	Opening balance	48.21	23.21
	Add: Additions during the year	673.32	48.21
	Less: Capitalised during the year	694.19	23.21
	Closing balance	**27.34**	**48.21**

8	Intangible asset under development	As at 31st March 2019	As at 31st March 2018
	Opening balance	-	11.12
	Add: Additions during the year	3.45	-
	Less: Capitalised during the year	-	1.60
	Less: Written off	-	9.52
	Closing balance	**3.45**	**-**

9	Investment property	Freehold land	Building	Building on leasehold land (Refer note 9.4)	Total
	Gross carrying value as at 1st April, 2017	178.10	28.34	950.85	1,157.29
	Additions during the year 2017-2018	-	-	-	-
	Deletions during the year 2017-2018	-	-	-	-
	Balance as at 31st March, 2018	**178.10**	**28.34**	**950.85**	**1,157.29**
	Additions during the year 2018-2019	-	-	-	-
	Deletions during the year 2018-2019	-	-	-	-
	Balance as at 31st March, 2019	**178.10**	**28.34**	**950.85**	**1,157.29**
	Accumulated depreciation	-	0.51	24.49	25.00
	Additions during the year 2017-2018	-	0.51	24.49	25.00
	Deletions during the year 2017-2018	-	-	-	-
	Balance as at 31st March, 2018	**-**	**1.02**	**48.98**	**50.00**

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

9 Investment property	Freehold land	Building	Building on leasehold land (Refer note 9.4)	Total
Additions during the year 2018-2019	-	0.51	24.28	24.79
Deletions during the year 2018-2019	-	-	-	-
Balance as at 31st March,2019	**-**	**1.53**	**73.26**	**74.79**
Net carrying amount				
Balance as at 31st March, 2018	178.10	27.32	901.87	1,107.29
Balance as at 31st March, 2019	**178.10**	**26.81**	**877.59**	**1,082.50**

9.1 Depreciation is provided on investment property based on useful life on Straight Line Method [Also refer note 3.4].

9.2 Cost of freehold land includes Rs. 134.40 lakhs as at 31st March 2019 (Previous year: Rs. 134.40 lakhs) which is in the name of the 'Chairman and managing director' of the Company.

9.3 For details of assets given as security, refer note 25.1.

9.4 The leasehold improvements are constructed on land taken under operating lease.

9.5 Amount recognized in Statement of Profit and Loss for investment properties:

Particulars	31st March 2019	31st March 2018
Rental income derived from investment property (Refer note 9.6)	40.24	44.58
Direct operating expenses (including repairs and maintenance) generating rental income	18.39	17.71
Direct operating expenses (including repairs and maintenance) that did not generate rental income	4.72	5.41
Profit from leasing of investment properties before depreciation	**17.13**	**21.46**
Less: Depreciation expenses	24.79	25.00
(Loss) from leasing of investment properties after depreciation	**(7.66)**	**(3.54)**

9.6 Leasing arrangement

Certain investment properties are leased to tenants under cancellable/ non-cancellable operating leases with rentals payable monthly. Refer note 48 (a) for details on future minimum lease rentals.

9.7 Fair value

Particulars	As at 31st March 2019	As at 31st March 2018
Fair value of investment properties	1,415.07	1,461.88

9.8 The Company's investment properties consist of land situated at Nagpur, Kottayam (Kerala), Baddi (Himachal Pradesh) and office building in Mumbai. The best evidence of fair value is current prices in an active market for similar properties. Company has considered ready reckoner rates as the main input for valuation of these investment properties. All resulting fair value estimates for investment properties are included in Level 2.

10 **Investments in joint venture** (Accounted as per equity method, refer note 2.1(b))	As at 31st March 2019	As at 31st March 2018
Ilex Developers and Resorts Limited 2,66,500 equity shares (Previous year 2,66,500) of Rs. 10 each	422.55	284.61
Add: Share in profit /(loss) after tax	28.93	137.93
Total	**451.48**	**422.55**
Aggregate value of unquoted investment	451.48	422.55
Aggregate amount of impairment in value of investments	-	-

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

11	**Investments**	**As at 31st March 2019**	**As at 31st March 2018**
	(a) Investment measured at Fair Value Through Profit or Loss		
	Investment in equity instruments		
	Quoted		
	Royal Orchid Hotels Limited 50 equity shares (Previous year 50) of Rs 10 each	0.06	0.08
	Unquoted		
	The Satara Sahakari Bank Limited 10,010 equity shares (Previous year 10,010) of Rs. 50 each	10.96	10.96
	Total FVTPL investments	**11.02**	**11.04**
	Total	**11.02**	**11.04**
	Aggregate cost of quoted investments	0.03	0.03
	Aggregate amount of unquoted investments	10.96	10.96
	Market value of quoted investments	0.06	0.08
	Aggregate amount of impairment in value of investments	-	-

12	**Loans - Non current** (Unsecured, considered good unless otherwise stated)	**As at 31st March 2019**	**As at 31st March 2018**
	Security deposits		
	- Related Party (Refer note 12.1 and 44)	1,722.55	1,632.51
	- Others	186.67	184.66
	Inter corporate deposit (considered doubtful)	200.00	200.00
	Less: Impairment of advance given	200.00	200.00
		-	-
	Margin Money in fixed deposit with Banks with maturity more than 12 months (Refer note 12.2)	51.19	108.64
	Total	**1,960.41**	**1,925.81**

12.1 Security deposit given to related party includes interest free security deposit given by holding company to an entity [carrying value of Rs.8,000.00 lakhs as at 31st March 2019 (Previous year: Rs.8,000.00 lakhs)] given in earlier years in which director of the holding company are also director and member.

12.2 Fixed deposit is given as margin money for guarantee given by bank to government and other authorities on behalf of the group.

13	**Income tax assets (net)**	**As at 31st March 2019**	**As at 31st March 2018**
	Income tax (net)	1,451.73	1,204.90
	Total	**1,451.73**	**1,204.90**

14	**Other non current assets** (Unsecured, considered good unless otherwise stated)	**As at 31st March 2019**	**As at 31st March 2018**
	Capital advances	210.30	188.65
	Less: Impairment of advance given	188.65	188.65
		21.65	-
	Others advances (Refer Note 14.1)	488.62	488.62
	Less: Impairment of advance given	488.62	488.62
		-	-
	Deferred advance rentals	3,813.36	3,976.25
	Prepaid expenses	8.71	20.99
	Total	**3,843.72**	**3,997.24**

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

14.1 In terms of the Memorandum of Understanding with a Public Trust owning a plot of land in Mumbai, the holding company had paid Rs. 488.62 lakhs as security deposit and incurred expenditure of Rs. 207.93 lakhs for a proposed hospitality project on the said land in earlier years. The owner did not fulfil his obligation to complete the infrastructure for the aforesaid project despite follow up by the holding company. In view of inordinate delay in the projects, the expenditure incurred on the said incomplete project has been written off and a provision has been made in the earlier years for the deposit paid to the said party. Holding company has initiated legal proceedings against the party and other party has also made counter claim for compensation and interest thereon. The matter is pending to be resolved. Adjustments, if any, to the expenditure written off and provision made as above, will be made on disposal / conclusion of the above matter in the year in which matter is settled.

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Inventories (At lower of cost or net realisable value)	**As at 31st March 2019**	**As at 31st March 2018**
Food and beverages	173.40	225.76
Stores and operating supplies	162.96	118.93
Total	**336.36**	**344.69**

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Investments - current	**As at 31st March 2019**	**As at 31st March 2018**
Investment measured at Amortised Cost		
Unquoted		
50,000 (Previous year: 50,000) units of SBI PSU FUND - of Rs. 10 each	5.25	5.00
Total	**5.25**	**5.00**
Aggregate cost of unquoted investments	5.00	5.00
Net asset value unquoted investments	5.25	5.54
Aggregate amount of impairment in value of investments	-	-

17

Trade receivable (Unsecured considered good, unless otherwise stated)	**As at 31st March 2019**	**As at 31st March 2018**
-Considered good	1,263.75	1,688.02
-Considered doubtful	1,512.72	1,619.92
Sub-total	**2,776.47**	**3,307.94**
Less: Allowance for expected credit loss*	1,512.72	1,619.92
Total	**1,263.75**	**1,688.02**

*The Group recognizes loss allowances using the expected credit loss (ECL) model based on 'simplified approach'. Considering same there are trade receivable having significant credit risk [Also refer note 3.18.1 and 55(a)(ii)].

17.1 Trade receivable includes receivable from related parties as given below. This included amount of Rs. 12.10 lakhs (Previous year: Rs. 12.27 lakhs; from an entity in which director of the group is also director.

Particulars	**As at 31st March 2019**	**As at 31st March 2018**
From related parties (Refer note 44.3)		
Ilex Developers & Resorts Limited	9.72	7.39
Treeo Resorts Private Limited	2.38	4.88
Total	**12.10**	**12.27**

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Cash and cash equivalent	**As at 31st March 2019**	**As at 31st March 2018**
Balances with bank		
- In current accounts	308.72	329.88
Cheque in hand	460.00	177.54
Cash in hand	31.60	23.90
	800.32	531.32
Bank balances other than cash and cash equivalent:		
- Fixed deposit (less than 12 months maturity)	-	0.78
Total	**800.32**	**532.10**

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

19	**Other bank balance**	**As at 31st March 2019**	**As at 31st March 2018**
	Margin money in fixed deposits with banks (Maturity period less than 12 months) (Refer note 19.1)	129.76	81.12
	Balance in Bank - Escrow Account (Refer note 19.2)	28.05	-
	Total	**157.81**	**81.12**

19.1 Fixed deposit is given as margin money to the banks for guarantee's given by banks to government and other authorities on behalf of the group.

19.2 Balance with bank (escrow account) is maintained for servicing monthly installments of term loan taken.

20	**Loans - current** (Unsecured considered good, unless otherwise stated)	**As at 31st March 2019**	**As at 31st March 2018**
	Security deposit	13.80	7.20
	Loans and advances to employees and others	-	1.58
	Total	**13.80**	**8.78**

21	**Other current financial assets** (Unsecured, considered good unless otherwise stated)	**As at 31st March 2019**	**As at 31st March 2018**
	Advances - Others (Refer note 41.4)	-	638.88
	Interest on bank deposits	16.82	10.43
	Total	**16.82**	**649.31**

22	**Other current assets** (Unsecured, considered good unless otherwise stated)	**As at 31st March 2019**	**As at 31st March 2018**
	Advances to vendors	113.16	498.89
	Balances with Government authorities (Refer note 22.1 and 22.2)	230.25	75.24
	Prepaid expenses	257.51	228.31
	Total	**600.92**	**802.44**

22.1 Balance with authorities includes Rs. 45.00 lakhs (Previous year: Rs.45.00 lakhs) related to subsidiary company (Orchid Hotels Pune Private Limited), being bank guarantee invoked by Commissioner of Customs in the previous year in relation to non-fulfilment of export obligations. The subsidiary company had submitted all the documents related to fulfilment of export obligations to the custom authorities and order for cancellation of 'Bond and Bank Guarantee' was issued by the Commissioner of Customs except for Rs. 2.00 lakhs. Subsidiary company has filed application for refund with the of Commissioner of Customs, refund is awaited.

22.2 Balance of authorities includes input tax credit (ITC) of Rs. 69.93 lakhs (Previous year: Nil) of Goods and service tax (GST) taken by subsidiary company (Orchid Hotels Pune Private Limited) based on legal interpretation.

23	**Share capital**	**As at 31st March 2019**	**As at 31st March 2018**
	Authorised capital		
	342,50,000 (Previous year: 342,50,000) Equity Shares of Rs. 10 each.	3,425.00	3,425.00
	Total	**3,425.00**	**3,425.00**
	Issued, subscribed and paid-up		
	235,84,058 (Previous year: 235,84,058) Equity Shares of Rs. 10 each, fully paid up	2,358.41	2,358.41
	Add: 8,62,500 Forfeited equity shares (Previous year: 8,62,500) (amounts originally paid up).	58.85	58.85
	Total	**2,417.26**	**2,417.26**

23.1 Terms/ rights attached to equity shares :

The holding company has only one class of shares referred to as equity shares having a par value of ₹ 10. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the holding company, the holders of equity shares will be entitled to receive any of the remaining assets of the holding company, after distribution of all preferential amounts. However, there are no preferential amounts inter se equity shareholders. The distribution will be in proportion to the number of equity shares held by the shareholders (after due adjustment in case shares are not fully paid up).

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

23.2 Reconciliation of the number of shares outstanding is set out below:

Particulars	31st March 2019		31st March 2018	
	Number of Shares	Amount	Number of Shares	Amount
Number of shares at the beginning	235,84,058	2,358.41	235,84,058	2,358.41
Add: Shares issued during the year	-	-	-	-
Less: Buyback during the year	-	-	-	-
Number of shares at the year end	235,84,058	2,358.41	235,84,058	2,358.41

23.3 Details of shareholders holding more than 5 % shares

Particulars	As at 31st March 2019		As at 31st March 2018	
	Number of Shares	% held	Number of Shares	% held
Kamat Holdings Private Limited *	15,00,000	6.36	15,00,000	6.36
Plaza Hotels Private Limited	35,35,545	14.99	35,35,545	14.99
Indira Investments Private Limited *	15,63,794	6.63	15,63,794	6.63
Dr. Vithal V. Kamat	32,54,990	13.80	32,54,990	13.80

*These entities have merged with Vishal Amusements Limited with effect from 16th May, 2018. Transfer formalities are in progress.

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Other equity	As at 31st March 2019	As at 31st March 2018
Capital reserve (Refer Note 24.1)		
As per last Balance sheet	13.87	13.87
Capital redemption reserve (Refer Note 24.2)		
As per last Balance sheet	266.50	266.50
Securities premium (Refer Note 24.3)		
As per last Balance sheet	14,986.74	14,986.74
Amalgmation reserve (Refer note 24.4)		
As per last Balance sheet	280.06	280.06
Surplus/ (deficit) in the Statement of Profit and loss		
As per last balance sheet	(34,465.88)	(15,179.33)
Add: Profit/(loss) for the year	1,688.56	(19,219.70)
Less: Prior period adjustment (Refer note 24.5)	-	(66.85)
Closing balance	**(32,777.31)**	**(34,465.88)**
Other comprehensive income		
As per last balance sheet	26.02	14.76
Add: Other comprehensive income / (loss) for the year	2.97	11.26
Closing balance	**28.99**	**26.02**
Total	**(17,201.15)**	**(18,892.68)**

24.1 Capital reserve represent profit on sale of fixed asset related to an entity amalgamated with holding company in the earlier years.

24.2 Capital redemption reserve is credited by amount set aside for redemption of preference shares in earlier years.

24.3 Securities premium account is on account of the premium received on issue of equity shares. The same is utilised in accordance with the provisions of the Companies Act, 2013.

24.4 In terms of the Bombay High Court Order dated 13th January, 2012 the amalgamation reserve is not available for distribution as dividend.

24.5 The holding company has restated/reduced opening balance of deferred tax asset accounted in earlier years [prior to 1st April 2017] by Rs. 66.85 lakhs which has also resulted in corresponding reduction in opening 'Other Equity' as on 1st April 2017.

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

25	Borrowings	As at 31st March 2019	As at 31st March 2018
	Non-current borrowings		
	Secured		
	Term loans		
	- From banks (Refer Note 25.1(a), 25.1(b), 25.1(d) and 25.1(e))	1,770.64	988.65
	- From others (Refer Note 25.1(a) and 25.1(b))	46,684.94	54,847.82
	Unsecured		
	- Term loans from others (Refer note 25.1(c))	100.00	1,371.00
	- Inter-corporate loan (Refer note 25.2)	2,677.15	3,139.31
		51,232.73	60,346.78
	Less: Current maturities of long term loans	23,457.18	37,751.89
	Less: Interest accrued and due (Refer note 32)	1,747.04	5,712.83
	Less: Interest accrued but not due (Refer note 32)	11.93	-
	Total	**26,016.58**	**16,882.06**

25.1 Details of security provided and terms of repayment

(a) Term loan from banks and others [loans assigned by banks to ARC's on settlement] aggregating to Rs.25,799.87 lakhs (Previous year: Rs. 29,372.90 lakhs) are secured by (i) First ranking pari-passu charge on lands at “The Orchid” at Vile Parle (East) (owned by Plaza Hotels Private Limited) together with hotel buildings and all appurtenances thereon; (ii) First / second ranking pari-passu mortgage on company's immovable property being Hotel “VITS” at Andheri (East); (iii) First/ second charge by way of hypothecation of movable fixed assets and current assets of the Company; (iv) Credit card receivables on pari-passu basis; (v) Equitable mortgage of hotel property at Lotus Goa [exclusive to one lender]; (vi) Pledge of equity shares of the Company held by promoters and promoter companies, pledge of certain equity shares of Orchid Hotels Pune Private Limited (subsidiary) and Plaza Hotels Private Limited (related party) and entire equity shares of Kamats Restaurants (India) Private Limited, Fort Jadhavgadh Hotels Private Limited, Mahodadhi Palace Private Limited and ILEX Developers and Resorts Limited, Kamat Holiday Resorts (Silvassa) Limited; and (vii) Corporate guarantee of subsidiaries, joint venture entity and Plaza Hotels Private Limited and personal guarantee of Dr. Vithal V.Kamat and Mr. Vikram V.Kamat.

Term loan from others (loans assigned by banks to ARC) aggregating to Rs.17,415.31 lakhs (Previous year: Rs.17,415.31 lakhs) is secured by (i) first charge on all movable and immovable fixed assets of OHPPL both present and future; (ii) exclusive charge by way of hypothecation of the stocks, current assets including book debts, bills receivable both present and future; (iii) pledge of 30% equity of OHPPL held by the group; (iv) guaranteed by corporate guarantee of the holding company and Kamats Development Private Limited (a company in which the director of the group is a director); and (v) personal guarantee of Dr. Vithal V.Kamat and Mr. Vikram V.Kamat.

(b) Term loans from banks and others [loans assigned by Bank to ARC's and NBFC on settlement] aggregating to Rs. 1,971.29 lakhs (Previous year: Rs. 3,406.42 lakhs) is secured by (i) First ranking pari-passu charge on lands at “The Orchid” at Vile Parle (East) (owned by Plaza Hotels Private Limited) together with hotel buildings (245 rooms) and all appurtenances thereon; (ii) Credit card receivables of Orchid (245 rooms) and VITS, Mumbai; (iii) Personal guarantees of Dr. Vithal V.Kamat and Mr. Vikram V.Kamat; and (iv) Post dates cheques and undertaking to pay 50% of sale proceeds of certain assets in case of sale of those assets.

(c) Term loan from others is secured by pledge of equity shares of the Company held by the promoter and promoter companies.

(d) Term loan from bank includes Vehicle loan taken by the Company has been repaid during the year aggregating to Rs. 3.47 lakhs. This loan was secured by hypothecation of the vehicle for which loan was taken.

(e) Term loans from bank having amortised cost of Rs.1,772.34 lakhs (Previous year: Nil) is secured by way of (i) Exclusive charge on all present and future current assets including receivables of four hotel properties and subservient charge on all fixed assets of the Company; (ii) Equitable mortgage over the land situated at Nagpur, owned by the Company and directors/ relative of directors; (iii) Pledge of 34 lakh shares held by Vishal Amusement Limited and Dr. Vithal V. Kamat; (iv) Personal guarantees of Dr. Vithal V. Kamat, and Mr. Vishal V. Kamat; and (iv) Post dates cheques.

25.2 Above intercorporate loan is repayable by 31st March, 2024 [as extended] or earlier on availability of funds with the Company. As per the terms of the agreement it is not payable in next 12 months as at balance sheet date, hence same is classified under long term borrowing.

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

25.3 Based on repayment schedules for borrowings [including as per settlement agreement or One Time Settlement sanctioned by various lenders as referred in note 25.4 below], following is maturity profile of term loans from banks and others [assigned loans].

Particulars	Maturity Profile			
	As at 31st March 2019		As at 31st March 2018	
	Next 1 year	2-5 years	Next 1 year	2-5 years
From banks	13.64	1,758.71	988.33	0.14
From others	23,443.54	24,257.87	36,763.56	16,881.92
Total	**23,457.18**	**26,016.58**	**37,751.89**	**16,882.06**

25.4 Settlement of outstanding loan with ARC's and one time settlement with banks

(a) The holding company had borrowed funds in earlier years from banks, financial institutions and NBFCs. Due to financial crisis faced by economic slowdown and other factors, a Corporate Debt Restructuring (CDR) Scheme was sanctioned by the Corporate Debt Restructuring Empowered Group vide sanction letter dated 12th March, 2013. In respect of some of the restructured debts from some of the lenders, despite best efforts taken by the holding company, the stipulated assets of the holding company could not be sold and consequently the debts agreed to be repaid out of the above debts could not be repaid by 31st March, 2014 and hence CDR scheme failed and group exited from the CDR scheme. Subsequently, most of the lenders have initiated recovery proceeding including under SARFAESI Act and the Negotiable Instrument Act,1881. One of the lender also filed recovery proceedings with Hon'ble Bombay High Court in which another lender having rights on escrow of credit card receivable intervened and finally the case was disposed off by consent in earlier years.
Subsequently, most of these loans were assigned by the lenders to the Asset Reconstruction Companies (ARC). Holding company has negotiated with the Banks and ARC's and restructured the above debts through settlement agreements or one time settlements (OTS) of outstanding dues. Consequently, in respect of settlement made during the year interest and principal of Rs. Nil lakhs has been written back (Previous year: Rs. 1,567.69 lakhs), which is disclosed as exceptional item in note 41.

(b) With respect to above settled loans, holding company is discharging its obligations in terms of the settlement with the respective assignees. In the event of default of terms and conditions of the settlements, the holding company may be liable to pay additional and penal interest and charges which are estimated to be Rs.22,690.98 lakhs (Previous year: Rs. 17,195.41 lakhs).

(c) With respect to case filed under Negotiable Instrument Act, 1881, since the relevant loan has been fully assigned, the holding company is advised that the proceedings under the said Act will not survive. In the event these proceedings are held against the group, it may be liable to pay penalty which is estimated at Rs. 1,000 lakhs (Previous year: Rs. 1,000 lakhs). In view of the above, in the opinion of the management, no provision is considered necessary for the same.

(d) During the year, two Asset Reconstruction Companies (ARC) and one bank (which has restructured the debt under OTS and was fully repaid during year) have permitted extension of repayment tenor of the respective secured debts with revised settlement amount. Additional cost incurred in this connection are accounted in accordance with requirement of Ind AS 109 - Financial Instrument.

25.5 Loans guaranteed by directors of holding company

Particulars*	As at 31st March 2019	As at 31st March 2018
From banks	1,770.64	1,057.38
From others	46,684.94	50,628.31
Term loan from others	**48,455.58**	**51,685.69**

*Including interest outstanding.

25.6 Continuing default in repayment of loan and interest at the year end is as given below:

Particulars	As at 31st March 2019		As at 31st March 2018	
	Amount	Period defaults	Amount	Period defaults
Principal	454.00	1 day	494.00	1 day
Interest				
Total	**454.00**		**494.00**	

*Amount of Rs. 454.00 lakhs has been repaid subsequent to current financial year end but before approval of accounts (Previous year: Amount of Rs. 250.00 lakhs repaid subsequent to year before approval of accounts).

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

26 Other financial liabilities - Non-current	As at 31st March 2019	As at 31st March 2018
Outstanding club membership deposit	30.70	42.91
Security deposits	59.10	91.67
Deposit from related party (refer note 26.1)	20.69	18.47
Sales tax deferral loan	-	0.86
Total	**110.49**	**153.91**

26.1 Security deposit received having carrying value of Rs. 80.00 lakhs as at 31st March 2019 (Previous year: Rs. 80.00 lakhs) is interest free and is received against hotel property given by the holding company under operation and management agreement. This deposit is received from an entity in which group's director is director.

27 Provisions - Non-current	As at 31st March 2019	As at 31st March 2018
Provision for gratuity benefits (Refer note 47((ii)(a))(b))	21.24	13.29
Provision for leave benefits (Refer note 47((ii)(c))	301.18	218.09
Total	**322.42**	**231.38**

28 Deferred tax assets/ (liabilities)	As at 31st March 2019	As at 31st March 2018
Significant components of net deferred tax assets and liabilities		
Deferred tax liabilities		
Difference in net carrying value of property, plant and equipment, intangible assets and investment properties as per income tax and books	4,517.98	4,555.09
Sales tax deposit paid under protest claimed as allowable expenses	2.91	2.91
Sub-total (A)	**4,520.89**	**4,558.00**
Deferred tax assets		
Carried forward losses as per Income Tax Act, 1961	161.75	688.86
Expense allowed on payment basis as per Income tax act, 1961	590.05	1,082.14
Provision for expected credit loss allowances	432.38	437.60
MAT credit entitlement	50.17	167.17
Fair value measurement of financial assets and liabilities (net)	631.46	622.16
Sub-total (B)	**1,865.81**	**2,997.93**
Deferred tax assets/(liability) (A-B)	**(2,655.08)**	**(1,560.07)**

28.1 Reconciliation of tax expenses and the accounting profit multiplied by applicable tax rate for 31st March 2019 and 31st March 2018:

Particulars	As at 31st March 2019	As at 31st March 2018
Profit before tax	2,765.27	(17,975.19)
Income tax liability/(asset) as per applicable tax rate	816.77	(6,109.77)
(i) Permanent tax difference due to		
- Effect of expenses that are not deductible in determining taxable profit	173.24	(102.02)
(ii) Effect of change in tax rate for deferred tax liability calculation	(6.69)	2,053.93
(iii) Losses of earlier years lapsed	-	102.95
(iv) Deferred tax asset not recognised (Refer note (b))	62.75	5,290.44
(v) Tax expenses of earlier years	30.64	8.98
Tax expense reported in the Statement of Profit and Loss	**1,076.71**	**1,244.51**

Particulars	As at 31st March 2019	As at 31st March 2018
Other comprehensive income	4.84	9.59
Income tax liability/(asset) as per applicable tax rate	(1.87)	1.67
Tax expense/(credit) reported in Other comprehensive income	**(1.87)**	**1.67**

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

Note:

(a) The Company offsets tax assets and liabilities in and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same authority.

(b) No provision for income tax was made in the previous year as there was no taxable income as per the Income Tax Act, 1961 considering brought forwarded losses and payments made, allowable on payments basis. Income tax provision has been made in the current year. As per Ind AS 12 - Income Taxes, deferred tax asset should be recognised on the carry forward unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. Considering same, with respect to subsidiary companies, deferred tax asset has not been recognized as in near future there is low probability that taxable profit will be available against which it can be utilised.

(c) Deferred tax assets amounting to Rs. 8,743.21 crore as at 31st March 2019 (Previous year: Rs. 8,679.89 crore) has not been recognised due to uncertainty in respect of future taxable Income against which such losses can be offset.

28.2 Income tax recognised in the Statement of Profit and Loss:

Particulars	As at 31st March 2019	As at 31st March 2018
Current tax		
In respect of the current year	100.01	-
In respect of the earlier years	0.67	8.98
	100.68	**8.98**
Deferred tax		
MAT credit availed	(0.11)	-
In respect of the current years	946.17	1,235.53
In respect of the earlier years	29.97	-
	976.03	**1,235.53**
Total tax expense recognised in current year	**1,076.71**	**1,244.51**

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Other non-current liabilities	As at 31st March 2019	As at 31st March 2018
Unamortized non-refundable membership deposit	527.79	602.26
Total	**527.79**	**602.26**

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Borrowings	As at 31st March 2019	As at 31st March 2018
Short term borrowings		
ICICI Bank Ltd (BG Devolvement account) (Refer Note 30.1 and 30.2)	-	72.38
Total	**-**	**72.38**

30.1 With respect to bank guarantee given by the Bank on behalf of one of the subsidiary company, two parties had invoked bank guarantee for non-payment of lease rent and non-fulfilment of export obligations. In previous year, group was in continuing default in repayment of this outstanding loan. During the year, group has entered into One Time Settlement (OTS) with Bank wherein interest on this loan is waived off by the Bank and entire loan has been repaid by the group.

30.2 Above loan was part of non-fund based limit sanctioned by the ICICI Bank in the earlier years to the subsidiary company (Orchid Hotels Pune Private Limited). This loan was secured by (i) first charge on pari passu basis on all movable and immovable fixed assets of the subsidiary company both present and future; (ii) exclusive charge by way of hypothecation of the stocks, current assets including book debts, bills receivables both present and future; (iii) Pledge of 30% equity of the subsidiary company by the holding company, guaranteed by corporate guarantee of Kamat Hotels (India) Limited (Holding Co.), Kamats Development Private Limited (a Company in which a director of the subsidiary company is a director); and (iv) personal guarantees of Director and relative of director [also ex-Director]. This loan has been fully repaid by the subsidiary company and charge created in relation to this loan pending to be released.

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

31

Trade payables	**As at 31st March 2019**	**As at 31st March 2018**
Outstanding dues of micro enterprises and small enterprises (Refer note 31.1).	216.79	56.29
Outstanding dues of creditors other than micro enterprises and small enterprises		
- Others	1,600.54	1,889.43
- Related parties (Refer note 44.3)	234.79	87.75
Total	**2,052.12**	**2,033.47**

31.1 The amount due to Micro, Small and Medium Enterprises as defined in the Micro, Small and Medium Enterprises Development Act (MSMED Act), 2006 has been determined to the extent such parties have been identified on the basis of information collected by the management. The disclosure relating to Micro, Small and Medium Enterprises is as under:

Particulars	**As at 31st March 2019**	**As at 31st March 2018**
Dues remaining unpaid at the year end:		
(a) The principle amount remaining unpaid to supplier as at the end of the accounting year	216.79	56.29
(b) The interest thereon remaining unpaid to supplier as at the end of the accounting year	41.71	23.73
(c) The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
(d) Amount of interest due and payable for the year	17.27	4.22
(e) Amount of interest accrued and remaining unpaid at the end of the accounting year	41.71	23.73
(f) The amount of further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid	46.22	1.84

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Other financial liabilities - current	**As at 31st March 2019**	**As at 31st March 2018**
Current maturities of long term borrowings	23,457.18	37,751.89
Interest accrued but not due	11.93	-
Interest accrued and due:		
- To banks and others	1,747.04	1,608.38
- On bond deposit	44.48	120.47
Current maturity of outstanding membership deposit	1,245.11	1,312.39
Interest payable to MSME creditors	41.71	23.73
Creditors for capital expenditure	6.20	7.72
Security deposit	61.86	63.36
Book Overdraft	419.01	-
Lease Premium payable (Refer note 32.2)	1,146.24	886.53
Other payables *	915.05	737.13
Total	**29,095.81**	**42,511.60**

*Other payable mainly consist of employee related dues and other accrued expenses.

32.1 In respect of loans taken by subsidiary

(a) Term loan taken from a bank in earlier years became non-performing asset (NPA) in the year 2013. These loans were assigned by the Bank to Asset Reconstruction Company India Limited (ARCIL) vide assignment agreement dated 27th September 2013. ARCIL (jointly with ICICI Bank had filed a suit before Debt Recovery Tribunal (DRT) for recovery of their dues and seeking some reliefs, which is pending.(Refer note 42.3)

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

(b) **Details of security provided**

This loan is secured by (i) first charge on all movable and immovable fixed assets of the subsidiary company both present and future; (ii) exclusive charge by way of hypothecation of the stocks, current assets including book debts, bills receivables both present and future; (iii) pledge of 30% equity of the subsidiary company held by the holding company; (iv) guaranteed by corporate guarantee of Kamat Hotels (India) Limited (Holding Co.), Kamats Development Private Limited (a Company in which the director of the Company is a director); and (v) personal guarantees of Director and ex-Director.

(c) In respect of borrowing from IARC [assigned by ARCIL], outstanding balance as on 31st March 2019 (including interest liability accounted upto 30th September 2013) is subject to confirmation. No balance confirmation was provided in previous year also.

(d) With respect of one of the subsidiary (Orchid Hotels Pune Private Limited), in respect of outstanding loan (originally taken from ICICI Bank which subsequently was assigned to ARCIL), ARCIL rejected the subsidiary company’s One Time Settlment ('OTS') proposal dated 10th November 2018 amounting to Rs. 13,425.00 lakhs with upfront payment of Rs. 200.00 lakhs vide letter dated 29th November 2018, on ground of “Proposal not acceptable in the present form as also it is not fully tied up in terms of funding and is without substantial upfront payment”. A petition was filed by ARCIL with National Company Law Tribunal (‘NCLT’) for dues amounting to Rs. 41,157.98 lakhs on 6th December, 2018. The subsidiary company submitted its fresh binding OTS proposal enhancing its offer further to an amount of Rs. 14,500.00 lakhs with the plan of payment. While subsidiary company's offer was pending with ARCIL, ARCIL re-assigned the loan to International Asset Reconstruction Company Private Limited (IARC) for an aggregate amount of Rs. 13,500.00 lakhs. As per the assignment agreement, total amount due from the subsidiary company upto 24th December 2018 was Rs. 42,110.91 lakhs. This assignment by ARCIL to IARC was challenged by the subsidiary company before Hon'ble Bombay High Court and thereafter was withdrawn considering verbal & written (mail dated 27th December, 2018) assurances by IARC for amicable resolution with the subsidiary company. On 28th December 2018, ARCIL informed the subsidiary company about re-assignment of loan to IARC. On 12th January 2019, ARCIL withdrew its petition from NCLT claiming amount of Rs. 41,157.98 lakhs.

The subsidiary company has accounted interest on loan only up to 30th September 2013. Principal amount including unpaid interest upto 30th September, 2013 aggregating to Rs. 18,833.99 lakhs is appearing in the books. While in the opinion of the management, no further liability is required to be accounted based on their discussions and agreements for amicable resolution of the settlement of loan would not be higher than the amounts already recorded in the books and it is subject to execution of agreement with the lenders.

32.2 In respect of dispute over lease rent levied by Director of Sports, the subsidiary company has accounted for the liability amounting to Rs. 1,146.24 lakhs as at 31st March 2019 (Previous year: Rs. 886.54 lakhs) for the period from 1st November 2014 to 31st March 2019; however, the same has not been paid pending settlement of arbitration proceedings before Bombay High Court and pending matter in the District Court, Pune. Since full provision has been made, same is not disclosed as contingent liability.

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Other current liabilities	**As at 31st March 2019**	**As at 31st March 2018**
Advance from customers	375.70	620.91
Income received in advance (membership fees)	74.47	74.47
Income received in advance (others)	9.13	36.31
Deferred income on club deposits	17.43	19.60
Deferred advance rentals on security deposits	39.67	50.72
Statutory dues	1,557.91	1,617.22
Total	**2,074.31**	**2,419.23**

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Provision - current	**As at 31st March 2019**	**As at 31st March 2018**
Provision for gratuity (Refer note 47((ii)(a))(b))	233.16	188.48
Provision for leave benefit (Refer note 47((ii)(c))	92.99	95.96
Total	**326.15**	**284.44**

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

35	Revenue from operations	Year ended 31st March 2019	Year ended 31st March 2018
	Sale of services		
	Room income	13,440.36	11,674.76
	Food and banquet income	8,449.46	6,640.52
	Sub-total	**21,889.82**	**18,315.28**
	Other operating revenue		
	Income from time share business	216.19	321.20
	Management and consultancy fees	12.55	4.89
	Swimming and health club	95.78	102.11
	Conference and banqueting services	614.67	362.59
	Internet and telephone	13.92	10.19
	Laundry services	63.86	64.93
	Car rental and transportation	172.54	136.49
	Membership fees	70.71	92.49
	Miscellaneous services	101.31	178.79
	License fees - Shops and offices	145.51	173.01
	Income from export incentive	83.24	111.58
	Liabilities and provisions written back	128.90	179.28
	Sub-total	**1,719.18**	**1,737.56**
	Total	**23,609.00**	**20,052.84**

36	Other income	Year ended 31st March 2019	Year ended 31st March 2018
	Interest income on financial assets at amortised cost		
	- on fixed deposit with bank	10.79	17.13
	- on others	104.02	258.59
	Dividend income on investment in mutual fund - current investment	0.43	0.43
	Exchange gain (net)	6.95	7.73
	Net gain on fair value changes of financial assets measured at amortised cost	1.62	7.13
	License fees - other properties	49.20	175.21
	Miscellaneous income	38.34	56.73
	Total	**211.35**	**522.94**

37	Cost of food and beverage consumed	Year ended 31st March 2019	Year ended 31st March 2018
	Opening stock	225.76	171.99
	Add: Purchases (Refer note 37.1)	2,208.44	2,099.17
		2,434.20	2,271.16
	Less: Closing stock	173.40	225.76
	Total	**2,260.80**	**2,045.40**

37.1 Purchases are net of recoveries of Rs. Nil lakhs (Previous year Rs.184.01 lakhs).

38	Employee benefit expenses	Year ended 31st March 2019	Year ended 31st March 2018
	Salaries, wages and bonus	4,785.05	4,126.44
	Contribution to provident and other funds	282.90	270.07
	Provision for gratuity (Refer note 47(ii)(a)(b))	66.73	72.80
	Provision for leave benefit (Refer note 47(ii)(c))	87.65	46.98
	Staff welfare expenses	316.73	349.43
	Total	**5,539.06**	**4,865.72**

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

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Finance costs	Year ended 31st March 2019	Year ended 31st March 2018
Interest expense at effective interest rate on borrowings which are measured at amortized cost	1,937.39	1,224.04
Other borrowing costs	266.64	306.06
Fair value of changes in financial liabilities (measured at amortized cost)	1.04	44.30
Total	**2,205.07**	**1,574.40**

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Other expenses		Year ended 31st March 2019	Year ended 31st March 2018
Operating expenses			
Heat, light and power		1,619.79	1,511.59
Rent (Refer note 48(b))		431.22	406.42
Licenses, rates and taxes (Refer note 40.1 and 40.2)		595.43	592.93
Repairs expenses for			
- Buildings		309.94	253.97
- Plant and Machinery		447.90	430.31
- Others		250.12	137.22
Expenses on apartments and boards		967.63	754.89
Replacements of crockery, cutlery, linen, etc.		165.75	418.46
Washing and laundry expenses		260.60	219.77
Water charges		178.00	193.62
Band and music expenses		182.35	129.19
Management license fees and royalty		305.36	185.62
Sub total(A)		**5,714.09**	**5,233.99**
Sales and marketing expenses			
Advertisement, publicity and sales promotion		318.27	214.18
Travel agents' commission		703.46	462.06
Other commission and charges		264.73	297.87
Sub total(B)		**1,286.46**	**974.11**
Administrative and general expenses			
Communication expenses		164.99	125.39
Printing and stationery		83.27	76.51
Legal, professional and consultancy charges		612.43	452.28
Directors' sitting fees		9.90	7.16
Travelling and conveyance		289.27	259.33
Insurance		68.11	66.21
Bad debts written off	243.57	-	19.19
Less: Provision for expected credit loss	(170.78)	-	-
		72.79	19.19
Provision for expected credit loss		63.57	345.02
Advances written off		3.68	-
Auditors' remuneration (Refer Note 40.3)		19.68	20.55
Sales Tax/Vat /Luxury Tax etc. including assessment dues		3.49	12.54
Loss on sale / discard of property, plant and equipment (Net)		23.63	182.02
Miscellaneous expenses		195.17	188.00
Sub total (C)		**1,609.98**	**1,754.20**
Total (A+B+C)		**8,610.53**	**7,962.30**

40.1 In earlier years, the subsidiary company (Orchid Hotels Pune Private Limited) had filed a suit in Pune Court requiring reduction in annual lease premium payable to Director of Sports and granting of payment of the said premium in monthly instalments instead of advance payment. The subsidiary company had also requested for relief from furnishing additional bank guarantee (BG) and restraining the authorities from invoking the existing BGs. Further, it had filed a case in the Hon'ble Bombay High Court invoking section 11 of Arbitration and Conciliation Act, 1996 for the dispute on lease premium, bank guarantee, property tax and other matters. Adjustment, if any in the books will be made on disposal of the cases [Also refer note 32.2].

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

40.2 The Pune Municipal Corporation (PMC) has been raising demand for property tax since 2007 in respect of the subsidiary company's (Orchid Hotels Pune Private Limited) property at Balewadi, Pune and it has paid said taxes. PMC had also revised the Annual Ratable Value (ARV) retrospectively from 1st October, 2008 and assessed the subsidiary Company's Hotel building for property tax purposes. It has disputed the said action and demand by filing a Municipal Appeal in appropriate court, which is pending for hearing.

In the meantime, during the pendency of the matter, the subsidiary company had paid entire dues up to March 2017 under Amnesty Scheme. It has paid municipal taxes for current year and previous year. Any adjustments of payment already deposited will be made subject to disposal of the cases.

40.3

Auditors' remuneration	Year ended 31st March 2019	Year ended 31st March 2018
Statutory audit fees	16.73	17.60
Tax audit fees	2.95	2.95
Total	**19.68**	**20.55**

Note: Above fees are excluding of goods and service tax (GST) of Rs.3.49 lakhs (In previous year: Rs. 3.37 lakhs).

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Exceptional items - Income/(expense)	Year ended 31st March 2019	Year ended 31st March 2018
Income:		
Interest provision no longer required written back on settlement of loan dues (net of incidental expenses related to settlement of loan dues) - (Refer note 41.1)	-	1,567.69
Sub-total	**-**	**1,567.69**
Expense:		
Impairment in cost of fixed assets of subsidiary (OHPPL) (Refer note 41.3)	-	21,400.09
Loss on discard of property, plant and equipment (Refer note 41.2)	-	95.79
Advance given written off (Refer note 41.4)	634.44	-
Capital advances and capital work in progress written off	-	23.86
Sub-total	**634.44**	**21,519.74**
Total income/(expense)	**(634.44)**	**(19,952.05)**

41.1 Provision for finance cost written back and reduction in liability towards long term & short term borrowing represents write back of interest provision made in earlier years and write back of loan liability on settlement with the lenders of the group.

41.2 Loss on discard of property, plant and equipment represents discard of fixed assets on pre-termination of lease arrangement at one of the hotel property taken under operating lease.

41.3 In respect of subsidiary company (Orchid Hotels Pune Private Limited), in accordance with Ind AS 36 - "Impairment of Assets", based on management's review of the recoverable value (including offers received pursuant to action initiated by the lender) in respect to net block of fixed assets as on 31st March 2018, provision for impairment loss amounting to Rs. 21,400.09 lakhs was recognised in the previous year.

41.4 The subsidiary company (Orchid Hotels Pune Private Limited) had paid capital advance in the year 2012-13 in relation to construction of Convention Centre at its hotel property in Pune. The said Convention Centre was partly constructed and demolished in view of objections by the municipal authorities. Considering this is old balance outstanding, period of limitation in refund claims, same has been written off during the year.

42 Capital Commitments, Other Commitments and Contingent Liabilities

42.1 Capital Commitments.

(a) Estimated amount of capital commitments to be executed on capital accounts and not provided for Rs.83.67 lakhs as at 31st March 2019 (Previous year: Rs. 39.62 lakhs) (Net of advances).

42.2 Other significant commitments.

(a) The holding company had put up Sewage Treatment Plant ("STP") on an adjacent immovable property owned by Savarwadi Rubber Agro Private Limited in earlier years for its Orchid Hotel, Mumbai and continues to use the same. The holding company is obliged to compensate appropriately to the owner for such use of the property. The modalities of the same is being worked out.

(b) Undertaking given by the group in favour of a lender to repay the loan to the extent of 50% of sale proceeds from certain specified assets (in case sold) - Expected obligation of Rs. 1,236.82 lakhs (Previous year: Rs. 1,236.82 lakhs) as per management estimate.

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

42.3 Contingent liability (to the extent not provided for)

	Particulars	As at 31st March 2019	As at 31st March 2018
(i)	**Claims against the Company/ disputed liabilities not acknowledged as debts**		
	Disputed indirect tax demands	572.83	410.51
	Open import licenses	49.60	47.58
	Claims against the Company not acknowledged as debts (including employee claims)	107.33	126.20
	Disputed claim of additional premium by the director of sports government of Maharashtra	225.00	225.00
	Cases filed by certain lenders under the Negotiable Instrument Act, 1881 (Refer note 25.4(c))	1,000.00	1,000.00
	ARCIL and ICICI Bank had jointly filed an application before Debt Recovery Tribunal in the earlier year claiming recovery plus further interest which has not been accepted by the subsidiary company and the matter is pending before DRT. [Refer note 32.1(a)]	25,237.89	25,237.89
	Bank guarantee invoked by the bank in earlier years, Company has applied for the waiver of interest liability payable on the total amount of bank guarantee invoked by the bank and therefore, the same is not accounted in the books of account.	-	134.00
(ii)	**Other money for which the Group is contingently liable**		
	Contingencies in respect of assigned loan (Also refer note 25.4(b))	22,690.98	17,195.41

In respect of above, future cash outflows (including interest/ penalty, if any) are determinable on receipt of judgement from tax authorities / labour court/ settlement of claims or non-fulfilment of contractual obligations. Further, the Group does not expect any reimbursement in respect of above.

42.4 Other litigations

(a) Refer note 14.1 in respect of dispute regarding Bandra Kurla Project.

43 Summarised financial information for joint ventures entity:

The Group has a 32.92% interest in Ilex Developers and Resorts Limited ('Ilex'), which is in the business of hospitality services. Ilex is private entity not listed on any stock exchange. The Group's interest in Ilex is accounted as per equity method in the consolidated financial statement. The following table illustrates the summarised financial information of the Group's investment in Ilex.

43 Summarised Balance Sheet and reconciliation of carrying amount

Particulars	As at 31st March 2019	As at 31st March 2018
Current assets	202.01	235.79
Non-current assets	3,164.48	3,141.82
Current liabilities	862.21	519.34
Non-current liabilities	1,452.25	1,899.81
Equity	**1,052.03**	**958.46**
Proportion of Group's ownership interest	32.92%	32.92%
Carrying amount of the Group's interest	422.55	284.61

43.2 Summarised Statement of Profit and Loss

Particulars	As at 31st March 2019	As at 31st March 2018
Revenue	**913.39**	**981.06**
Less:		
Cost of food and beverages consumed	120.11	170.79
Employee benefit expense	241.32	203.85
Finance cost	9.01	1.99
Depreciation and amortization	165.69	141.42
other expenses	245.61	247.76
Total expenses	**781.74**	**765.81**
Profit before tax	**131.65**	**215.25**
Less: Income tax expenses	38.94	(220.35)
Profit after tax	**92.71**	**435.60**
Add: Other comprehensive income	0.86	0.68
Total comprehensive income for the year	**93.57**	**436.28**
Group's share of total comprehensive income for the year (after intercompany profit elimination)	**28.93**	**137.93**

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

43.3 Summarised Statement of Cash Flow

Particulars	**As at 31st March 2019**	**As at 31st March 2018**
Cash flows from operating activities	236.35	295.41
Cash flows from investing activities	(55.94)	(143.35)
Cash flows from financing activities	(232.32)	(137.20)
Net increase / (decrease) in cash and cash equivalent	**(51.91)**	**14.86**

43.4 The joint venture entity has following contingent liability and capital commitments:

Particulars	**As at 31st March 2019**	**As at 31st March 2018**
Contingent liabilities:		
Corporate guarantee (jointly with related parties) on behalf of Kamat Hotels (India) Limited. Share of Ilex in this corporate guarantee is not quantifiable.	38,583.00	38,583.00
Capital commitment :		
Estimated amount of contracts remaining to be executed on capital account (net of capital advance)	183.12	164.18

44 Disclosures as required by Indian Accounting Standard (Ind AS) 24 - Related Party Disclosures

44.1 Name and relationships of related parties:

a) Joint Venture		Ilex Developers & Resorts Limited
b) Entities in which Director/ KMP and relatives have significant influence (Only where there are transactions)		Vithal V. Kamat (HUF), Kamat Holdings Private Limited, Indira Investments Private Limited^, Plaza Hotels Private Limited, Kamat Development Private Limited, Sangli Rubber Agro Private Limited, Kamats Club Private Limited^, Kamburger Foods Private Limited^, Kamats Super Snacks Private Limited^, Karaoke Amusements Private Limited^, Vishal Amusements Limited, Kamat Holiday Resorts (Silvassa) Limited, Kamat Eateries Private Limited^, Kamat Amusements Private Limited, Kamats Development Private Limited, Talent Hotels Private Limited, Treeo Resort Private Limited, Nagpur Ecohotel Private Limited^, VITS Hotels (Bhubaneshwar) Private Limited^.
c) Key Management Personnel [KMP]:	Executive Chairman & Managing Director	Dr. Vithal V. Kamat
	Non Executive Director	Mr. Bipinchandra C. Kamdar
	Independent Director	Mr. S. S. Thakur (Upto 27th May 2019)
		Mr. Dinkar D. Jadhav
		Ms. Himali H. Mehta
	Chief financial officer	Mrs. Smita Nanda, Chief Financial Officer (W.e.f. 26th May 2017)
	Company Secretary	Mr. Amit Vyas, Company Secretary (Upto 13th May 2019)
		Mr. Shailesh Bhaskar, Company Secretary (W.e.f. 27th May 2019)
d) Relatives of KMP		Mrs. Vidya V. Kamat [Wife of KMP]
(Only where there are transactions)		Mr. Vikram V. Kamat [Son of KMP]
		Ms. Vidita V.Kamat [Daughter of KMP]
		Mr. Vishal V. Kamat - [Son of KMP and also Chief Executive Officer of Fort Jadhav Gadh, an unit of the Company]

^ These entities are merged with Vishal Amusements Private Limited w.e.f. 16th May 2018.

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

44.2 Transactions with related parties

Nature of transaction	Name of the party	Year ended 31st March 2019	Year ended 31st March 2018
Royalty fees for leasehold land	Plaza Hotels Private Limited	228.08	100.61
Amount payable towards tax on Commission related Corporate Guarantee		2.23	-
Management fees - income	Ilex Developers & Resorts Limited	8.95	9.32
Transfer of materials		8.18	-
Laundry service expense		6.80	-
Taxes recovered on corporate guarantee commission		0.62	-
Amount payable towards tax on Commission related Corporate Guarantee		0.93	-
Reimbursement of expenses paid (Net)		15.05	-
Remuneration paid (Also refer note 45(a))	Dr.Vithal V.Kamat	105.66	105.57
Royalty expenses		5.18	4.63
Remuneration paid	Mr. Vishal V.Kamat	56.25	56.28
	Mrs. Smita Nanda	26.41	19.53
	Mr. Amit Vyas	18.36	15.84
Consultancy fees	Ms. Vidita Kamat	5.40	5.40
Sitting fees paid	Mr. Bipinchandra C. Kamdar	2.15	1.90
	Mr. S. S. Thakur	2.05	1.80
	Mr. Dinkar D. Jadhav	2.65	2.30
	Ms. Himali H. Mehta	2.05	1.55
Refund received on advance for project	Sangli Rubber Agro Private Limited	-	15.80
Interest income		-	1.42
Amount payable towards Tax on Commission related Corporate Guarantee	Vishal Amusements Limited	0.62	-
Amounts paid	Treeo Resorts Private Limited	0.61	-
Taxes recovered on corporate guarantee commission	Plaza Hotels Private Limited	0.05	-
Loan repaid during the year		-	6.25

44.3 Related party outstanding balances:

Nature of transaction	Name of the party	Year ended 31st March 2019	Year ended 31st March 2018
Corporate guarantee given by holding company on behalf of Joint Venture Company	Ilex Developers & Resorts Limited	1,000.00	1,000.00
Security given for loan taken by holding company (to the extent of outstanding loan)		799.68	799.68
Trade receivable		9.72	7.16
Security deposits given (Gross carrying value)		80.00	80.00
Advance received		-	49.80
Deposit given under business contract agreements	Plaza Hotels Private Limited	8,000.00	8,000.00
Trade payable		230.75	87.13
Undertaking given towards repayment of loan taken by the Company		1,837.92	1,837.92
Undertaking given towards repayment of loan taken by the Company	Talent Hotels Private Limited	2,375.26	2,375.26
Amount receivable	Treeo Resort Private Limited	2.38	4.88
Amount payable	Vishal Amusements Limited	0.62	-
Royalty payable	Dr.Vithal V. Kamat	3.41	10.44
Pledge of shares for term loan taken by the Company		-	900.00
Pledge of shares for term loan taken by the Company	Nagpur Ecohotel Private Limited	100.00	1,371.00
Pledge of shares for term loan taken by the Company	VITS Hotels (Bhubaneshwar) Private Limited	100.00	1,371.00

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

Notes:

(a) Transactions with related parties and outstanding balances at the year end are disclosed at transaction value.

(b) In addition to above transactions,

(i) Ilex Developers & Resorts Limited, Plaza Hotels Private Limited, Kamat Holiday Resorts (Silvassa) Limited, Dr. Vithal V. Kamat, Mr. Vikram V. Kamat have given joint corporate guarantee amounting to Rs. 38,583.00 lakhs (Previous year: Rs. 38,583.00 lakhs) to banks/ others for credit facilities availed by the Holding Company [Share of respective entities/ persons is not quantifiable].

(ii) Plaza Hotels Private Limited, Vishal Amusements Limited, Dr. Vithal V. Kamat, Mr. Vishal V.Kamat have given joint corporate/ personal guarantee amounting to Rs. 1,800.00 lakhs (Previous year: Nil) to bank for credit facilities availed by the Holding Company [Share of respective entities/ persons is not quantifiable].

(iii) KMP, relatives of KMP and entities in which KMP has significant influence have pledged equity shares held by them in the Company and other investments to the lenders for borrowing of the Company.

44.4 Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. For the year ended 31st March 2019, the Group has not recorded any impairment of receivables relating to amounts owed by related parties.

45 Breakup of compensation to key managerial personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

(a) Compensation to KMP [Executive Chairman and Managing Director] as specified in para 44.2 above:

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Short term employee benefits	96.16	96.07
Post employment benefits*	9.50	9.50
Other long term benefits*	-	-
Total	**105.66**	**105.57**

(b) Compensation to KMP [Other than disclosed in 45(a) above]

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Short term employee benefits	44.77	35.37
Post employment benefits	-	-
Other long term benefits*	-	-
Sitting fees	8.90	7.55
Total	**53.67**	**42.92**

*As the liabilities for defined benefit plans are provided on actuarial basis for the Group as a whole, the amounts pertaining to Key Management Personnel are not included.

46 Earnings per share

Particulars	As at 31st March 2019	As at 31st March 2018
Basic and diluted earning/ (loss) per share		
Profit/ (loss) attributable to the equity holders of the group	1,688.56	(19,219.70)
Weighted average number of equity shares (Excluding forfeited shares)	2,35,84,058	2,35,84,058
Face value per equity share (Rs.)	10	10
Basic and diluted earnings/ (loss) per share	7.16	(81.49)

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

47 Disclosure relating to employee benefits as per Ind AS 19 'Employee Benefits'

(i) Disclosures for defined contribution plan

The Group has certain defined contribution plans. The obligation of the group is limited to the amount contributed and it has no further contractual obligation. Following is the details regarding group's contributions made during the year:

Particulars	2018-2019	2017-2018
Provident fund	80.90	84.80
Pension fund	125.03	118.11
Employees' state insurance (ESIC)	76.37	66.49
Maharashtra labour welfare fund	0.59	0.67
Total	**282.90**	**270.07**

(ii) Disclosures for defined benefit plans and other long term benefits

(a) Defined benefit obligations - Gratuity

The group has a defined benefit gratuity plan for its employees (in holding company & one subsidiary). The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, every employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the employee's length of service and salary at retirement age. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn) for each completed year of service as per the provisions of the Payment of Gratuity Act, 1972. The scheme is funded with insurance companies in the form of a qualifying insurance policy in respect on holding company. In respect four subsidiaries there are no employees and hence no provision for employee benefit is made.

Risks associated with plan provisions

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Group is exposed to various risks as follows:

Investment/ asset risk	All plan assets are maintained in a trust fund managed by a public sector insurer viz; LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The Group has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The Group has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured. Also interest rate and inflation risk are taken care of.
Interest rate risk	The defined benefit obligation is calculated using a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
Salary inflation risk	Higher than expected increases in salary will increase the defined benefit obligation.
Demographic risk	This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria.

For determination of the liability in respect of compensated gratuity, the group has used following actuarial assumptions:

Gratuity (Funded)- Holding Company

Particulars	2018 - 2019	2017 - 2018
Discount Rate (per annum)	7.15%	7.30%
Rate of Return on Plan Assets (per annum)	7.30%	7.30%
Salary Escalation (per annum)	6.50%	6.50%
Attrition Rate (per annum)	10.00%	10.00%
Mortality Rate	As per Indian Assured lives Mortality (2006-08)	

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

Changes in the present value of obligations	**2018 - 2019**	**2017 - 2018**
Liability at the beginning of the year	317.14	257.26
Interest cost	20.73	16.42
Current service cost	47.70	43.75
Benefits paid	(20.34)	(11.17)
Past service cost	-	17.25
Actuarial (gain)/loss on obligations	(6.48)	(6.38)
Liability at the end of the year	**358.75**	**317.14**

Changes in the fair value of plan assets	**2018 - 2019**	**2017 - 2018**
Opening fair value of plan assets	128.97	123.19
Expected return on plan assets	8.73	8.65
Employers contribution	8.70	9.11
Benefits paid	(20.34)	(11.17)
Actuarial gain/(loss) on plan assets	(0.05)	(0.81)
Closing fair value of plan assets	**126.01**	**128.97**

Table of recognition of actuarial gain / loss	**2018 - 2019**	**2017 - 2018**
Actuarial (gain)/ loss on obligation for the year	(6.48)	(6.38)
Actuarial (gain)/ loss on assets for the year	(0.05)	(0.81)
Actuarial (gain)/ loss recognised in Other Comprehensive Income	**(6.43)**	**(5.57)**

Breakup of actuarial (gain) /loss:	**2018 - 2019**	**2017 - 2018**
Actuarial loss/(gain) arising from change in demographic assumption	-	-
Actuarial loss arising from change in financial assumption	2.76	(4.79)
Actuarial loss/(gain) arising from experience	(9.24)	(1.59)
Actuarial gain/(loss) on plan assets	0.05	0.81
Total	**(6.43)**	**(5.57)**

Amount recognized in the Balance Sheet:	**As at 31st March 2019**	**As at 31st March 2018**
Liability at the end of the year	358.75	317.15
Fair value of plan assets at the end of the year	(126.01)	(128.97)
Amount Recognized in the Balance Sheet	**232.74**	**188.18**

Expenses recognized in the Income Statement:	**2018 - 2019**	**2017 - 2018**
Current service cost	47.70	43.75
Interest cost	20.73	16.42
Expected return on plan assets	(8.73)	(8.65)
Past Service Cost	-	17.25
Actuarial (Gain)/Loss	(6.43)	(5.57)
Expense / (income) recognized in		
- Statement of profit and loss	59.70	68.77
- other comprehensive income	(6.43)	(5.57)

Balance sheet reconciliation	**As at 31st March 2019**	**As at 31st March 2018**
Opening net liability	188.18	134.08
Expense recognised in Statement of Profit and Loss	53.26	63.21
LIC contribution during the year	(8.70)	(9.11)
Amount Recognized in Balance Sheet	**232.74**	**188.18**

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

Sensitivity analysis of benefit obligation (Gratuity)

Particulars		2018-19	2017-18
a)	**Impact of change in discount rate**		
	Present value of obligation at the end of the year		
	a) Impact due to increase of 0.5% - 1.00%	349.70	309.40
	b) Impact due to decrease of 0.5% -1.00%	368.27	325.30
b)	**Impact of change in salary growth**		
	Present value of obligation at the end of the year		
	a) Impact due to increase of 0.5% - 1.00%	367.75	324.86
	b) Impact due to decrease of 0.5% -1.00%	350.01	309.64
c)	**Impact of change in withdrawal rate**		
	Present value of obligation at the end of the year		
	a) withdrawal rate Increase	357.57	316.21
	b) withdrawal rate decrease	359.60	317.84
d)	**Impact of change in mortality rate**		
	Present value of obligation at the end of the year		
	a) Impact due to increase	358.81	317.18
	b) Impact due to decrease	358.69	317.11

Maturity profile of defined benefit obligation

Particulars	As at 31st March 2019	As at 31st March 2018
Weighted average duration of the defined benefit obligation (years)	5.47	5.61
Projected benefit obligation amount	358.75	317.14
Accumulated benefit obligation amount	266.23	237.67

Pay-out analysis

Particulars	As at 31st March 2019	As at 31st March 2018
1st year	67.07	66.43
2nd year	48.21	39.87
3rd year	42.92	41.81
4th year	39.83	29.96
5th year	36.09	34.39
Next 5 year pay-out (6-10 year)	160.41	139.67

(b) Defined benefit obligations - Gratuity (Non funded) (Subsidiary company)

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. As per the policy of the Group, obligations on account of payment of gratuity of an employee is settled only on termination / retirement of the employee. Gratuity is provided in the books on the basis of Actuarial Valuation. It is an unfunded plan in respect of subsidiary having employees.

Particulars	2018 - 2019	2017 - 2018
Discount Rate (per annum)	7.75%	7.73%
Salary Escalation (per annum)	7.00%	7.00%
Attrition Rate (per annum)	5.00%	5.00%
Mortality Rate	Indian Assured lives Mortality (2006-08)	

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

Changes in the present value of obligations	**2018 - 2019**	**2017 - 2018**
Liability at the beginning of the year	13.59	27.28
Interest cost	1.05	1.88
Current service cost	5.98	5.55
Benefits paid	(0.55)	(5.96)
Actuarial (gain)/loss on obligations	1.59	(15.16)
Liability at the end of the year	**21.66**	**13.59**

Table of recognition of actuarial gain / loss	**2018 - 2019**	**2017 - 2018**
Actuarial (gain)/ loss on obligation for the year	1.59	(15.16)
Actuarial (gain)/ loss on assets for the year	-	-
Actuarial (gain)/ loss recognised in Other Comprehensive Income	**1.59**	**(15.16)**

Breakup of actuarial (gain) /loss:	**2018 - 2019**	**2017 - 2018**
Actuarial loss/(gain) arising from change in demographic assumption	-	-
Actuarial loss arising from change in financial assumption	(0.05)	(0.71)
Actuarial loss/(gain) arising from experience	1.64	(14.44)
Total	**1.59**	**(15.16)**

Amount recognized in the Balance Sheet:	**As at 31st March 2019**	**As at 31st March 2018**
Liability at the end of the year	21.66	13.59
Fair value of plan assets at the end of the year	-	-
Amount Recognized in the Balance Sheet	**21.66**	**13.59**

Expenses recognized in the Income Statement:	**2018 - 2019**	**2017 - 2018**
Current service cost	5.98	5.55
Interest cost	1.05	1.88
Expense / (Income) recognized in statement of profit and loss	**7.03**	**7.43**

(₹ in Lakhs)

Balance sheet reconciliation	**As at 31st March 2019**	**As at 31st March 2018**
Opening net liability	13.59	27.28
Expense recognised in Statement of Profit and Loss	7.03	7.43
Expense/(income) recognised in Other comprehensive income	1.59	(15.16)
Benefits paid	(0.55)	(5.96)
Amount Recognized in Balance Sheet	**21.66**	**13.59**
Non current portion of defined benefit obligation	21.23	13.30
Current portion of defined benefit obligation	0.43	0.29

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

Sensitivity analysis of benefit obligation

Particulars		2018-19	2017-18
a)	**Impact of change in discount rate**		
	Present value of obligation at the end of the year		
	a) Impact due to increase of 1%	19.21	12.06
	b) Impact due to decrease of 1%	24.62	15.43
b)	**Impact of change in salary growth**		
	Present value of obligation at the end of the year		
	a) Impact due to increase of 1%	24.54	15.37
	b) Impact due to decrease of 1%	19.17	12.08
c)	**Impact of change in attrition rate**		
	Present value of obligation at the end of the year		
	a) Impact due to increase of 1%	21.51	13.38
	b) Impact due to decrease of 1%	21.80	13.80
d)	**Impact of change in mortality rate**		
	Present value of obligation at the end of the year		
	a) Impact due to increase of 10%	21.67	13.59

Maturity profile of defined benefit obligation

Particulars	As at 31st March 2019	As at 31st March 2018
Weighted average duration of the defined benefit obligation	12.58	15.36
Projected benefit obligation	13.09	14.00
Accumulated benefit obligation	10.17	6.64

Pay-out analysis

Particulars	As at 31st March 2019	As at 31st March 2018
1st year	0.43	0.31
2nd year	1.00	0.32
3rd year	1.19	0.67
4th year	0.97	0.69
5th year	1.39	0.29
Next 5 year pay-out (6-10 year)	9.22	2.61
Pay-out above 10 years	57.84	40.72

(c) Compensated absences (non-funded)

As per the policy of the group, obligations on account of benefit of accumulated leave of an employee is settled only on termination / retirement of the employee. Such liability is recognised on the basis of actuarial valuation following Project Unit Credit Method.(In case of holding company and one subsidiary company)

Risks associated with plan provisions

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such group is exposed to various risks as follows:

Interest rate risk	The defined benefit obligation is calculated using a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
Salary inflation risk	Higher than expected increases in salary will increase the defined benefit obligation.
Demographic risk	This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria.

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

For determination of the liability in respect of compensated absences, the group has used following actuarial assumptions:

Particulars	2018-19	2017-18
Discount rate	7.75	7.73
Salary escalation	6.50%-7.00%	6.50%-7.00%
Attrition rate	5.00%-10.00%	5.00%-10.00%
Mortality rate	Indian Assured lives Mortality (2006-08)	Indian Assured lives Mortality (2006-08)

Changes in the present value of obligations:

Particulars	2018-19	2017-18
Liability at the beginning of the year	314.05	259.53
Interest cost	18.25	16.92
Current service cost	79.64	73.40
Benefits paid	(56.35)	(66.88)
Actuarial (gain)/loss on obligations	46.12	23.53
Provision for casual leave	(7.54)	7.55
Liability at the end of the year	**394.17**	**314.05**

Table of recognition of actuarial (gain) / loss :

Particulars	2018-19	2017-18
Actuarial (gain)/loss on obligation for the year	46.12	23.53
Actuarial (gain)/loss on assets for the year	-	-
Actuarial (gain)/loss recognized in Statement of Profit and Loss	**46.12**	**23.53**

Amount recognized in the Balance Sheet:

Particulars	As at 31st March 2019	As at 31st March 2018
Liability at the end of the year	394.17	314.05
Fair value of plan assets at the end of the year	-	-
Amount recognized in the Balance Sheet	**394.17**	**314.05**

Expenses recognized in the Statement of profit and loss:

Particulars	2018-19	2017-18
Current service cost	79.64	73.40
Interest cost	18.25	16.92
Expected return on plan assets	-	-
Benefits paid	(56.35)	(66.88)
Actuarial (Gain)/Loss	46.12	23.53
Expense recognized in Statement of Profit and Loss	**87.66**	**46.97**

Balance Sheet Reconciliation

Particulars	As at 31st March 2019	As at 31st March 2018
Opening net liability	306.51	259.53
Expense recognised in Statement of Profit and Loss	87.66	46.98
Casual Leave Expenses	-	7.54
Amount recognized in Balance Sheet	394.17	314.05
Non-current portion of defined benefit obligation	301.18	218.09
Current portion of defined benefit obligation	92.99	95.96

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

Sensitivity analysis of benefit obligation (Leave encashment)

Particulars		2018-19	2017-18
a)	**Impact of change in discount rate**		
	Present value of obligation at the end of the year		
	a) Impact due to increase of 0.5%	348.75	327.62
	b) Impact due to decrease of 0.5%	371.57	347.59
b)	**Impact of change in salary growth**		
	Present value of obligation at the end of the year		
	a) Impact due to increase of 0.5%	371.57	345.11
	b) Impact due to decrease of 0.5%	348.63	329.55
c)	**Impact of change in withdrawal rate**		
	Present value of obligation at the end of the year		
	a) withdrawal rate Increase	359.77	335.39
	b) withdrawal rate decrease	359.53	339.34
d)	**Impact of change in mortality rate**		
	Present value of obligation at the end of the year		
	a) Impact due to increase	317.22	337.17

Maturity profile of defined benefit obligation

Particulars	As at 31st March 2019	As at 31st March 2018
Weighted average duration of the defined benefit obligation	12.58	20.57
Projected benefit obligation	284.95	285.03

Pay-out analysis

Particulars	As at 31st March 2019	As at 31st March 2018
1st year	65.47	65.01
2nd year	48.57	40.85
3rd year	43.59	38.33
4th year	38.29	30.90
5th year	35.20	29.22
Next 5 year pay-out (6-10 year)	148.04	112.54

48 Leases

(a) Asset given under operating lease

The Group has given shops, office premises and hotel property under operating lease under non-cancellable operating leases. The Company has recognised Management fees income of Rs.177.65 lakhs during the year (Previous year: Rs. 190.05 lakhs). The contractual future minimum lease payment receivables in respect of these leases are:

Particulars	As at 31st March 2019	As at 31st March 2018
Not later than one year	95.41	146.17
Later than one year and not later than five years	16.54	64.15
Later than five years	-	-
	111.95	**210.32**

Total contingent rent income (in the form of management fees) recognised during the year Rs.8.96 lakhs (Previous year: Rs. 9.32 lakhs).

Note:

(i) With respect to hotel property given under operation and management agreement, Company gets management fees calculated based on percentage of revenue earned by the lessee from this property. Since future revenue is based on percentage of revenue which is contingent in nature, other disclosures as required under Ind AS 17 - 'Leases' are not quantifiable with respect to such arrangement as at the balance sheet date.

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

(b) Asset taken under operating lease

The group has taken hotel property under operating lease under non-cancellable operating leases. The group has recognised management fees/ rent expenses of Rs. 299.56 lakhs during the year (Previous year: Rs. 303.05 lakhs). The contractual future minimum lease payable in respect of these leases are:

Particulars	As at 31st March 2019	As at 31st March 2018
Not later than one year	280.49	316.63
Later than one year and not later than five year	1,386.97	1,421.23
Later than five year	11,404.66	11,687.35
	13,072.12	**13,425.21**

Note:

(i) With respect to hotel properties/ land taken under lease/ operation and management arrangement, group is liable to pay management fees/ rent based on gross operating profits, revenue etc. Since future revenue is contingent in nature, other disclosures as required under Ind AS 17 - 'Leases' are not quantifiable with respect to such arrangements as at the balance sheet date.

49 Note on Cash Flow Statement

i) The aggregate amount of outflow on account of direct taxes paid is Rs. 230.40 lakhs (Previous year: Rs. 89.93 lakhs)

ii) Changes in financing liabilities arising from cash and non-cash changes:

Particulars	1st April 2018	Cash flows	Non-cash changes	31st March 2019
Borrowings (Excluding interest dues)	54,706.33	(5,232.57)	-	49,473.76
Particulars	**1st April 2017**	**Cash flows**	**Non-cash changes**	**31st March 2018**
Borrowings (Excluding interest dues)	62,470.12	(7,763.79)	-	54,706.33

50 Disclosures as required by Indian Accounting Standard (Ind AS) 108 - Operating Segments

There are no reportable segments under Ind AS-108 ‘Operating Segments’ as the Group is operating only in the hospitality service segment, therefore, disclosures of segment wise information is not applicable. Further, no single customer represents 10% or more of the group's total revenue during the year ended 31st March 2019 and 31st March 2018.

51 Going concern assumption

i) As per standalone financial statements of holding company's accumulated losses as at 31st March, 2019 are in excess of its paid up capital & other equity and its current liabilities exceed the current assets as on that date. Further, in respect of loans, there are delays in repayment of principal and overdue instalments as at 31st March, 2019. In the opinion of the management, considering the future business prospects and the fact that the fair values of the assets of the Company are significantly higher than the borrowings/debts, these standalone financial results of holding company have been prepared on a going concern basis which contemplates realisation of assets and settlement of liabilities in the normal course of holding company’s business. Further, management has also arranged additional funds in the holding company by way of term loan.

ii) Subsidiary company (OHPPL) has incurred net loss during the year, its net worth is fully eroded as of that date and its current liabilities are more than its current assets as on 31st March 2019 and further, there are defaults in repayment of loans & interest and non-provision of interest. The Management is expecting to settle the loan amicably with the lender. In view of the above, limited support available from the holding company due to financial constraints and considering provision for impairment of fixed assets made in the previous year, in the opinion of the management, financial statements are prepared on going concern basis.

iii) Subsidiary company (MPPL) accumulated losses are in excess of its paid up capital and reserves and its current liabilities are exceeding current assets. The financial statements are prepared on going concern basis, considering (a) future prospectus of business from hotel property post expiry of operation and management agreement with holding company; (b) fair value of the underlying hotel property; and (c) commitment from the holding company for financial support from time to time.

iv) There are accumulated losses, negative net worth and negative working capital in Holding company and two subsidiaries (OHPPL & MPPL) as mentioned above. For preparation of standalone financials of Holding company and two subsidiaries, going concern assumption is considered appropriate by the management as appropriate steps are being taken to mitigate the impact of accumulated losses and improve cash flows. In view of the above and considering management’s opinion, the consolidated one Financial Statements of the group have also been prepared on a going concern basis.

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

52 Subsequent to the year end, Group's three hotel properties in Orissa has been affected due to "Cyclone Fani". Group is in the process of assessing the damages caused to the properties and report of the insurance surveyor is awaited. In view of the management, insurance coverage is adequate to cover the value of the assets damaged.

53 Additional information as required under schedule III to the Companies Act, 2013, of the enterprises consolidated as subsidiary are as given below.

As at 31st March, 2019

Name of the Entity	Net Assets		Share in total comprehensive income	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount
Holding Company				
Kamat Hotels (India) Limited	18.48%	(2,732.02)	148.48%	2,511.52
Wholly owned subsidiaries				
Orchid Hotels Pune Private Limited	186.86%	(27,625.04)	-51.93%	(878.33)
Kamats Restaurants (India) Private Limited	0.00%	(0.43)	-0.03%	(0.44)
Mahodadhi Palace Private Limited	5.70%	(842.29)	-0.23%	3.93
Fort Jadhavgadh Hotels Private Limited	0.01%	(1.31)	-0.03%	(0.47)
Orchid Hotel Eastern (India) Private Limited (Formerly known as Green Dot Restaurant Private Limited)	-0.22%	31.80	0.04%	0.67
Joint Venture				
Ilex Developers and Resorts Limited	-2.86%	422.55	5.53%	93.57
Consolidation Adjustment / Eliminations	-107.97%	15,962.85	-2.30%	(38.91)
Total	**100.00**%	**(14,783.89)**	**100.00**%	**1,691.53**

31st March, 2018

Name of the Entity	Net Assets		Share in total comprehensive income	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount
Holding Company				
Kamat Hotels (India) Limited	31.55%	(5,243.54)	-19.71%	3,785.13
Subsidiaries				
Orchid Hotels Pune Private Limited	163.00%	(26,746.71)	118.75%	(22,810.71)
Kamats Restaurants (India) Private Limited	0.00%	0.01	0.00%	(0.43)
Mahodadhi Palace Private Limited	5.16%	(846.22)	0.34%	(65.42)
Fort Jadhavgadh Hotels Private Limited	0.01%	(0.84)	0.00%	(0.40)
Orchid Hotel Eastern (India) Private Limited (Formerly known as Green Dot Restaurant Private Limited)	-0.19%	31.13	0.00%	(0.31)
Joint Venture				
Ilex Developers and Resorts Limited	-2.58%	422.55	-0.72%	137.93
Consolidation Adjustment / Eliminations	-96.95%	15,908.15	1.32%	(254.23)
Total	**100.00**%	**(16,475.42)**	**100.00**%	**(19,208.44)**

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

54 Financial instruments - Accounting classifications & fair value measurement

(a) Financial instruments by category

Sr. No.	Particulars	31st March 2019			31st March 2018		
		Amortised Cost	FVTOCI	FVTPL	Amortised Cost	FVTOCI	FVTPL
A	**Financial assets**						
	(i) Non-current investments	-	-	11.02	-	-	11.05
	(ii) Other non-current financial asset	1,960.41	-	-	1,925.81	-	-
	(iii) Trade receivables (net)	1,263.75	-	-	1,688.02	-	-
	(iv) Cash and cash equivalents	800.32	-	-	532.10	-	-
	(v) Other bank balances	157.81			81.12		
	(vi) Other current financial assets	16.82	-	-	649.31	-	-
	(vii) Investments	5.25	-	-	5.00	-	-
	(viii) Loans	13.80	-	-	8.78	-	-
	Total financial assets	**4,218.16**	**-**	**11.02**	**4,890.14**	**-**	**11.05**
B	**Financial liabilities**						
	(i) Non-current borrowings	26,016.58	-	-	16,882.06	-	-
	(ii) Other financial liabilities	110.49			153.91		
	(iii) Current borrowings	-	-	-	72.38	-	-
	(iv) Trade payables	2,052.12	-	-	2,033.47	-	-
	(v) Other current financial liabilities	29,095.81	-	-	42,511.60	-	-
	Total financial liabilities	**57,275.00**	**-**	**-**	**61,653.42**	**-**	**-**

FVTOCI - Fair Value Through Other Comprehensive Income

FVTPL - Fair Value Through Profit or Loss

Note: Above disclosure excludes investments (gross) joint venture amounting to Rs. 451.48 lakhs as on 31st March, 2019 (Previous year: Rs. 422.55 lakhs) as these are valued at cost [in accordance with equity method].

(b) Fair valuation techniques

The Group maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The management assessed that fair value of Trade receivables (net), Cash and cash equivalents, Other current financial assets, Current borrowings, Trade payables and Other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Further, the management has assessed that fair value will be approximate to their carrying amounts as they are priced to market interest rates on or near the end of reporting period.

(c) Fair value hierarchy

Financial assets and financial liabilities are measured at fair value in the financial statement and are grouped into three levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

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

Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

(d) Financial assets/ liabilities measured at fair value

The following table represents the fair value hierarchy of assets and liabilities measured at fair value on a recurring basis.

Particulars	Level	31st March 2019		31st March 2018	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets					
Non-current investments	**Level 1**	0.03	0.06	0.03	0.08
Non-current investments	**Level 2**	5.01	10.96	5.01	10.96
Total financial assets		**5.04**	**11.02**	**5.04**	**11.04**

Notes:

(i) The above disclosures are given only for non-current financial assets and non-current financial liabilities. Short term financial assets and current financial liabilities (cash and cash equivalents, other receivables, trade payables and other current financial liabilities) represents the best estimate of fair value.

(ii) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Group could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

(e) Fair value of instruments measured at amortised cost:

Particulars	Level	31st March 2019		31st March 2018	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets					
Loans	**Level 3**	1,859.50	1,859.50	1,925.81	1,925.81
Total financial assets		**1,864.53**	**1,870.52**	**1,925.81**	**1,925.81**
Financial liabilities					
Borrowings - non-current	**Level 3**	22,876.68	24,112.67	16,882.06	16,882.06
Other financial liabilities - non-current	**Level 3**	202.66	110.49	215.44	153.91
Total financial liabilities		**23,079.34**	**24,223.16**	**17,097.50**	**17,035.97**

Notes:

(i) The above disclosures are given only for non-current financial assets and non-current financial liabilities. Short term financial assets and current financial liabilities (investment, cash and cash equivalents, other receivables, trade payables and other current financial liabilities) represents the best estimate of fair value.

(ii) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Group could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

(iii) There have been no transfers between Level 1 and Level 2 for the years ended 31st March 2019 and 31st March 2018.

55 Risk management framework

The holding company's Board of Directors and board of directors of respective entity in group has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors have established the Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The Committee reports regularly to the Board of Directors on its activities. The Group's risk management policies are established to identify and analyse the risk faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group's Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by internal audit team. Internal audit team undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

The Group has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk;
- Market risk

(a) Credit risk :

Credit risk is the risk of financial loss to the Group if a counter party to a financial instruments fail to meet its contractual obligations. The Group is exposed mainly to credit risk which arises from cash and cash equivalents and deposit with banks.

(i) Cash and cash equivalent

The Group considers factors such as track record, size of institution, market reputation and service standards to select the banks with which balances and deposits are maintained. The bank balance and fixed deposits are generally maintained with the banks with whom the Group has regular transactions. Further, the Group does not maintain significant cash in hand other than those required for its day to day operations. Considering the same, the Group is not exposed to expected credit loss of cash and cash equivalent and bank deposits.

(ii) Trade receivables

The major exposure to the credit risk at the reporting date is primarily from receivable comprising of trade receivables. Credit risk on receivable is limited due to the Group's diverse customer base. The effective monitoring and controlling of credit risk through credit evaluations is a core competency of the Group's risk management system.

For expected credit loss of trade receivable, Group follows simplified approach as per which provision is made for receivable exceeding six months/ one year based on category of receivable. This is based on historically observed default rates over the expected life of trade receivables. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

The Reconciliation of Expected Credit Allowance (ECL) is as given below:

Particulars	31st March 2019	31st March 2018
Balance at the beginning	1,619.92	1,286.24
Less: Utilized	170.78	11.34
	1,449.14	1,274.90
Add: Provision for ECL made during the year	63.57	345.02
Balance at the year end	**1,512.72**	**1,619.92**

(b) Liquidity risk :

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Group's reputation.

Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows to ensure it has sufficient cash to meet operational needs. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance and compliance with internal statement of financial position ratio targets.

(i) Maturities of financial liabilities:

The following are the remaining contractual maturities of financial liabilities at the reporting date:

Particulars	Less than 1 year	1 to 5 year	Above 5 years	Total
As at 31st March 2019				
Borrowings	-	26,016.58	-	**26,016.58**
Trade payables	2,052.12	-	-	**2,052.12**
Other financial liabilities	-	89.80	20.69	**110.49**
Other current financial liabilities	29,095.81	-	-	**29,095.81**
As at 31st March 2018				
Borrowings	-	16,882.06	-	**16,882.06**
Trade payables	2,033.47	-	-	**2,033.47**
Other financial liabilities - non-current	-	135.44	18.47	**153.91**
Other current financial liabilities	42,511.60	-	-	**42,511.60**

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

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

(c) Market risk

Market risk is the risk that the changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The pre dominant currency of the Group's revenue and operating cash flows is Indian Rupees (INR). Group has earnings in foreign currency. There is no foreign currency risk as there is no outstanding foreign currency exposure at the year end.

(i) Interest Rate Risk

The Group has taken term loans from bank and others (including loan assigned by banks on one time settlement). With respect to loans which are settled with banks or assigned to asset reconstruction companies aggregating to Rs. 27,378.79 lakhs as at 31st March 2019 (as at 31st March 2018 Rs. 31,183.04 lakhs), there is no interest payable. Other borrowings attracts fixed rate of interest. Therefore, there are no interest rate risks, since neither the carrying amount nor the future cash flows will fluctuate because of change in market interest rates.

With respect to loan from IARC in one of the subsidiary (Orchid Hotels Pune Private Limited), it has not provided/ paid any interest on the loan [Refer note 32.1(d)]. Considering same, interest rate risk as defined in Ind AS 107 is not quantifiable, since the future cash flows are dependent on settlement procedures and financial position of this subsidiary.

(ii) Foreign Currency Risk

The pre dominant currency of the Group's revenue and operating cash flows is Indian Rupees (INR). Group has earnings in foreign currency, however it has no exposure in foreign currency at the year end. Considering the same, there is no foreign currency risk to the Group.

56 Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern so, that they can continue to provide returns for shareholders and benefits for other stakeholders and maintain an optimal capital structure to reduce cost of capital. The Group manages its capital structure and make adjustments to, in light of changes in economic conditions, and the risk characteristics of underlying assets. In order to achieve this overall objective, the Group’s capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define the capital structure requirements.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. The ratio is calculated as net debt divided by equity. Net debt is calculated as total borrowing (including current and non-current terms loans as shown in the balance sheet).

As stated in note 32.1(a) subsidiary company's (Orchid Hotels Pune Private Limited) borrowings have become non-performing assets and loan was assigned by Bank to ARC. The subsidiary company has also offered full co-operation to the lenders on their proposal to find a viable solution for revival of the hotel property. In case the proposal is not accepted, the lender may immediately call outstanding loan dues and it may impact on the operation of the subsidiary company and the Group and impact its ability to continue as going concern.

The Group monitors capital using 'Total Debt' to 'Equity'. The Group's Total Debt to Equity are as follows:

(₹ in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Total debt*	49,473.76	54,706.33
Total capital (total equity shareholder's fund)	(14,783.89)	(16,475.42)
Net debt to equity ratio	**(3.35)**	**(3.32)**

*** Total debt = Non-current borrowings + current borrowings + current maturities of non-current borrowings**

The notes referred to above form an integral part of the consolidated financial statements

As per our audit report of even date

For N.A.Shah Associates LLP
Chartered Accountants
Firm Registration No. 116560W/ W100149

Sandeep Shah
Partner
Membership No. 37381

Place: Mumbai
Date: 27th May 2019

For and on behalf of the Board of Directors

Dr. Vithal V. Kamat
Executive Chairman & Managing Director
(DIN : 00195341)

Dinkar D. Jadhav
Director
(DIN : 01809881)

B.C.Kamdar
Director
(DIN : 01972386)

Smita Nanda
Chief Financial Officer

Shailesh Bhaskar
Company Secretary

Place: Mumbai
Date: 27th May 2019

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Salient Features of Financial Statements of Subsidiaries / Joint Venture as per Companies Act, 2013

Part "A": Subsidiaries

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

Sr. No.	Name of the Subsidiary Company	The Date since Subsidiary was acquired	Year	Reporting Currency	Equity Share Capital	Other Equity	Total Assets	Total Liabilities	Investments	Revenue from Operations/ Other Income	Profit Before Taxation	Provision for Taxation	Profit after Taxation	Other Comprehensive Income	Total Comprehensive Income	Proposed Dividend	% of Shareholding
1	Orchid Hotels Pune Private Limited	21/05/2009	2018-2019	INR	1,176.47	(28,801.51)	16,863.88	44,488.92	-	4,579.27	(876.74)	-	(876.74)	(1.59)	(878.33)	Nil	100%
			2017-2018	INR	1,176.47	(27,923.18)	17,687.87	44,434.58	-	3,149.80	(22,825.86)	-	(22,825.86)	15.16	(22,810.70)	Nil	100%
2	Kamats Restaurants (India) Private Limited	28/05/2011	2018-2019	INR	1.00	(1.43)	0.16	0.59	-	-	(0.44)	-	(0.44)	-	(0.44)	Nil	100%
			2017-2018	INR	1.00	(0.99)	0.29	0.28	-	-	(0.43)	-	(0.43)	-	(0.43)	Nil	100%
3	Mahodadhi Palace Private Limited (Formerly Fort Mahodadhinivas Palace Private Limited)	30/04/2011	2018-2019	INR	1.00	(843.29)	1,866.43	2,708.72	-	70.62	5.33	(1.40)	3.93	-	3.93	Nil	100%
			2017-2018	INR	1.00	(847.22)	1,847.86	2,694.08	-	38.75	(140.33)	74.91	(65.42)	-	(65.42)	Nil	100%
4	Fort Jadhavgadh Hotels Private Limited	15/03/2012	2018-2019	INR	1.00	(2.31)	0.15	1.46	-	-	(0.47)	-	(0.47)	-	(0.47)	Nil	100%
			2017-2018	INR	1.00	(1.84)	0.10	0.94	-	-	(0.39)	-	(0.40)	-	(0.40)	Nil	100%
5	Orchid Hotels Eastern (India) Private Limited (Formerly Green Dot Restaurants Private Limited)	25/10/2012	2018-2019	INR	1.00	30.80	31.99	0.19	-	1.18	0.70	0.03	0.67	-	0.67	Nil	100%
			2017-2018	INR	1.00	30.13	33.90	2.77	-	-	(0.31)	-	(0.31)	-	(0.31)	Nil	100%

Salient Features of Financial Statements of Subsidiaries / Joint Venture as per Companies Act, 2013

Part "B": Joint Venture

				Shares held by the Company on the year end			Networth attributable to shareholding as per latest audited Balance Sheet	Profit/(Loss) for the year			
Sr. No.	Name of the Joint Venture	Latest Audited Balance Sheet date	Date on which the Joint Venture was acquired	No. of Shares	Amount of Investment	Extent of Holding		Considered in consolidation (to the extent of Group's effective shareholding, under Equity method)	Not Considered in Consolidation	Description of how there is significant influence	Reason why the Joint Venture is not consolidated
1	Ilex Developers & Resorts Limited	31 March 2019	23 March 2010	266500	533.00	32.92%	346.33	28.93	64.64	32.92% Shareholding	not a subsidiary
		31 March 2018		266500	533.00	32.92%	315.53	137.93	298.35	32.92% Shareholding	not a subsidiary

As per our audit report of even date

For N.A.Shah Associates LLP
Chartered Accountants
Firm Registration No. 116560W/ W100149

Sandeep Shah
Partner
Membership No. 37381

Place: Mumbai
Date: 27th May 2019

For and on behalf of the Board of Directors

Dr. Vithal V. Kamat
Executive Chairman & Managing Director
(DIN : 00195341)

Dinkar D. Jadhav
Director
(DIN : 01809881)

B.C.Kamdar
Director
(DIN : 01972386)

Smita Nanda
Chief Financial Officer

Shailesh Bhaskar
Company Secretary

Place: Mumbai
Date: 27th May 2019

KAMAT HOTELS (INDIA) LIMITED

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CIN No: L55101MH1986PLC039307
Registered Office: KHIL House, 70-C, Nehru Road, Near Santacruz Airport, Vile Parle (East), Mumbai- 400 099, Maharashtra, India.
Tel No. 022 2616 4000 Fax No. 022 26164203; Email : cs@khil.com Website : www.khil.com

FORM NO. MGT 11

PROXY FORM

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

Name of the Member(s)	
Registered Address	
Email ID:	
Folio No /DP ID Client ID No.	

I/We, being the member (s) of ……………………… shares of the above named company, hereby appoint

1. Name: --E-mail Id: --

   Address: --

   -- Signature: --
   or failing him/her

2. Name: -- E-mail Id: --

   Address: --

   --Signature: --
   or failing him/her

3. Name: -- E-mail Id: --

   Address: --

   --Signature: --

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 32nd Annual General Meeting of the Company, to be Wednesday, 18th September, 2019 at 11.00 a.m. at "Vishal Hall", Hotel Highway Inn, Sir M. V. Road (Andheri Kurla Road), Near Railway Station, Andheri (East), Mumbai – 400 069 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolutions	Optional *	
		For	Against
	Ordinary Business		
1	Adoption of the Audited Financial Statements (Standalone & Consolidated) for the year ended on 31st March, 2019 together with Reports of the Board of Directors and Auditors thereon.		
2	Appoint a Director in place of Mr. Bipinchandra C. Kamdar who retires by rotation and being eligible offers himself for re-appointment.		
	Special Business		
3	Re-appointment of Dr. Vithal V. Kamat as Executive Chairman and Managing Director for a period of 3 years from 1st October 2019.		
4	Appointment of Mr. Ramnath P. Sarang as an Independent Director for a term of 5 years w.e.f. 27th May, 2019		

Signed this …………………… day of …………………….. 2019

Signature of Shareholder : ……….............................………..

Signature of Proxy holder(s) : ……….............................………..

Affix
Revenue
Stamp

Note:

1 This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting..

2* It is optional to put a '✓' in the appropriate column in front of the resolutions indicated in the table above. If you leave the 'For' or 'Against' column blank against any or all resolution(s), your proxy will be entitled to vote in the manner he / she thinks appropriate.

3 Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.

4 In the case of jointholders, the signature of any one holder will be sufficient, but names of all the jointholders should be stated.

NOTES

NOTES

Kamat Hotels undertook the initiative to plant 10 lakh trees through seedballs to #RebuildOdisha, under the motto "One Green Nation, One Green Family"

An active annual initiative of the clean-up drive at Vile Parle Police Station to spread the message on ban of plastic and raise social awareness to keep the environment clean.

The Orchid Hotel - Mumbai

Email: res@orchidhotel.com | Phone: +91-22-26164000 | Fax: +91-22-26164141
www.orchidhotel.com/mumbai-vile-parle/

The Orchid Hotel - Pune

Email: resv@orchidhotelpune.com | Phone: +91 20679 14040
www.orchidhotel.com/pune/

Fort JadhavGADH

Email: res@fortjadhavgadh.com | Phone: +91 99 8757 3818 | Tel: +91 2115 305200/305220
www.fortjadhavgadh.com

Mahodadhi Palace

Email: info@mahodadhipalace.com | Phone: +91 6752 220 440 | 91 6752 220 880
www.mahodadhipalace.com

Lotus Beach Resort, Goa

Email: resvgoa@lotusresorthotels.com | Phone: +91 832 277 1175 | +91 832 277 1176
www.lotusresorthotels.com/beach-resort-goa/

Lotus Eco Beach Resort, Konark

Email: fokonark@lotusresorthotels.com | Phone: +91 90900 93464
www.lotusresorthotels.com/eco-resort-konark/

Lotus Eco Beach Resort, Murud-Dapoli

Email: resv.murud@lotusresorthotels.com | Phone: +91 92733 11456 | 92710 01568
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VITS Mumbai

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www.vitshotels.com/mumbai/

VITS Bhubaneswar

Email: resvbhubaneshwar@vitshotels.com | Phone: +91 6746 601 075
www.vitshotels.com/bhubaneswar/

KAMAT HOTELS (INDIA) LIMITED

THE ORCHID® — FIVE STAR ECOTEL HOTEL — FRIENDLY, ECO-FRIENDLY
MUMBAI | PUNE

Fort JadhavGADH — A Gadh Heritage Hotel — Ladh, Jhagadh, Aage Badh...
PUNE

MAHODADHI PALACE
PURI - ODISHA

LOTUS RESORTS
KONARK - ODISHA, GOA - BENAULIM
MURUD - DAPOLI

*Note: If undelivered please return it to the KHIL House, 70-C, Nehru Road, Adjoining Orchid Hotel, Vile Parle (East),Mumbai - 400 099. Tel: +91 22 2616 4000