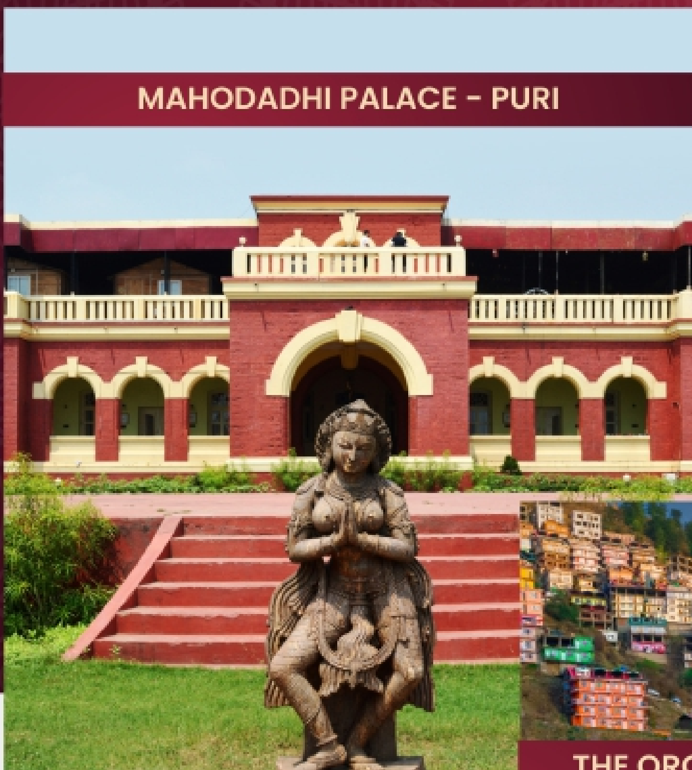
ANNUAL REPORT 2020-21

Tranquil



Exquisite

Serene

Royal

THE MANY SHADES OF
KAMAT HOSPITALITY

KAMAT HOTELS (INDIA) LIMITED

INDIA'S PIONEERING HOSPITALITY CHAIN OF ENVIRONMENTALLY SENSITIVE HOTELS & RESORTS.

THE ORCHID® ECOTEL HOTELS & RESORTS — FRIENDLY, ECO-FRIENDLY

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

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

LOTUS RESORTS — Chill. Still. Tranquil.

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.

KAMAT HOTELS (INDIA) LIMITED

BOARD OF DIRECTORS

Dr. Vithal V. Kamat
Executive Chairman and Managing Director

Mr. Dinkar D. Jadhav
Independent Director
(Deceased on 19th February, 2021)

Mr. Bipinchandra C. Kamdar
Non Executive non Independent Director
(Upto 29th September, 2020)

Mr. Ramnath P. Sarang
Independent Director

Mrs. Harinder Pal Kaur
Independent Director

Mr. Vilas Ramchandra Koranne
Additional Non Executive Independent Director
(Appointed w.e.f 29th June, 2021)

Mr. Sanjeev Badriprasad Rajgarhia
Non Executive non Independent Director

Ms. Vidita V. Kamat
Non Executive non Independent Director
(Appointed w.e.f. 29th September, 2020)

Ms. Smita Nanda
Chief Financial Officer

Mr. Hemal Sagalia
Company Secretary & Compliance Officer
(Appointed w.e.f . 29th June, 2021)

BANKERS
Canara Bank
Andhra Bank
State Bank of India
Axis Bank
Punjab National Bank
Kotak Mahindra Bank
HDFC Bank
UCO 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

CONTENTS

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 Fourth Annual General Meeting of the members of **Kamat Hotels (India) Limited** will be held on Tuesday, 28th September, 2021 at 11.30 a.m. through "Video Conferencing (VC) or Other Audio Visual Means (OAVM) 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, 2021 and Reports of the Board and Auditors thereon.

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

   "**RESOLVED THAT** Mr. Sanjeev B. Rajgarhia (DIN: 07857384), a Director liable to retire by rotation, 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 Ordinary Resolution:

   "**RESOLVED THAT** pursuant to Section 152 and any other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force), the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association of the Company, Ms. Vidita V. Kamat (DIN: 03043066), who was appointed as an Additional Director of the Company with effect from 29th September, 2020 by the Board of Directors under Section 161 of the Companies Act, 2013 and who holds office as such upto the date of 34thAnnual General Meeting and in respect of whom a notice in writing along with requisite deposit under Section 160 of the Companies Act, 2013 has been received by the Company from a member proposing her candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company whose term shall be liable to retire by rotation.

   '**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized 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. Vilas Ramchandra Koranne (DIN 09151665) who was appointed by the Board of Directors as an Additional Director of the Company with effect from 29th June, 2021 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. Vilas Ramchandra Koranne who meets the criteria for independent 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. 29th June, 2021 till 28th June 2026 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: 29th June, 2021

Hemal Sagalia
Company Secretary & Compliance Officer

NOTES:

1. An Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 (“Act”) and applicable Secretarial Standards, relating to special businesses to be transacted at the Thirty Fourth Annual General Meeting (“AGM”/ “Meeting”), is annexed to the Notice.

2. In view of the COVID-19 pandemic situation, the Ministry of Corporate Affairs (“MCA”) has vide General Circular Nos. 02/2021 dated 13th January, 2021 and 20/2020 dated 5th May, 2020 read together with MCA General Circular Nos. 14/2020 dated 8th April, 2020,17/2020 dated 13th April, 2020, 22/2020 dated 15th June, 2020, 33/2020 dated 28th September,2020 and 39/2020 dated 31st December, 2020 (all the MCA circulars shall collectively be referred to as “MCA AGM Circulars”) and Securities and Exchange Board of India (“SEBI”) Circular No. SEBI/HO/ CFD/ CMD2/CIR/P/2021/11 dated 15th January, 2021 and SEBI Circular No. SEBI /HO /CFD /CMD1/CIR/P/2020/79 dated 12th May, 2020 (all the SEBI circulars shall collectively be referred to as “SEBI AGM Circulars”) permitted the holding of annual general meeting through Video Conferencing / Other Audio Visual Means (“VC / OAVM”), without the physical presence of Members at a common venue. In compliance with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), MCA AGM Circulars and SEBI AGM Circulars, the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.

3. A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member. However, since the AGM is being held through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

4. Institutional / Corporate shareholder(s) are required to send a scanned copy (in PDF/JPG format) of certified true copy of the Board resolution authorizing its representative to vote through remote e-voting and attend the AGM through VC / OAVM. The said certified true copy of the Board resolution should be sent to the Company and /or its Registrar and Transfer agent, Link Intime India Private Limited (“RTA”) by email through its registered email address to cs@khil.com or instameet@linkintime.co.in.

5. Pursuant to the provisions of Section 91 of the Act, the Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, 23rd September, 2021 to Tuesday, 28th September, 2021 (both days inclusive).

6. In accordance with the provisions of Section 152(6) of the Act, Mr. Sanjeev B. Rajgarhia (DIN: 07857384) will retire by rotation at the forthcoming AGM and, being eligible, has offered himself for re-appointment.

7. In compliance with the MCA AGM Circulars and SEBI AGM Circulars, and pursuant to Sections 101 and 136 of the Act read with the rules made thereunder, electronic copy of the Annual Report is being sent to all the Members whose email IDs are registered with the Company/ DPs for communication purposes. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company’s website www.KHIL.com, websites of the stock exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively, and on the website of the RTA at https://instavote.linkintime.co.in.

8. Members desirous of receiving communication from the Company in electronic form, may register their email address with their respective DP, as per the process defined by them. If, however, shares are held in physical form, Members are advised to register their e-mail address with the RTA by sending communication on rnt.helpdesk@linkintime.co.in along with their folio no. and valid e-mail address for registration.

   To support the ‘Green Initiative’, Members who have not registered their e-mail addresses with the Company/RTA/DP are requested to log in to the website of our RTA, www.linkintime.co.in under Investor Services.

9. SEBI has mandated every participant in securities market to submit PAN. Members holding shares in electronic form are, therefore, requested to submit the PAN to their respective DPs. Members holding shares in physical form can submit their PAN details to the Company or to the RTA.

10. Members can avail nomination facility pertaining to their shareholding in the Company by filing Form SH-13, as prescribed under Section 72 of the Act and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, with the Company or the RTA.

11. As per Regulation 40 of the Listing Regulations, securities of listed companies can be transferred only in dematerialised form with effect from 1st April, 2019, except in case of request received for transmission or transposition of securities. In view of this, Members holding shares in physical form are requested to consider converting their holdings to dematerialised form.

12. All documents mentioned in the Notice will be available for electronic inspection without any fee, from the date of circulation of this Notice up to the date of AGM i.e. 28th September, 2021. Members who wish to inspect the relevant documents may send an email to cs@khil.com by mentioning their DP ID & Client ID / Folio no., as the case may be.

13. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

14. Any query relating to financial statements must be sent to the Company’s e-mail ID at cs@khil.com at least seven days before the date of the AGM.

15. **Voting through electronic means:**

1. **The instructions for remote e-voting are as under:**

i. In compliance with the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, the Company provides to Members the facility of exercising their right to cast vote(s) before or at the AGM by electronic means and the business may be transacted, accordingly.

ii. The facility of casting votes by the Members using an electronic voting system from a place other than the venue of the AGM ("remote e-voting") and e-voting at the AGM is being provided by the RTA.

iii. The voting rights of Members shall be in proportion to their shareholding in the paid-up equity share capital. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Company / RTA / depositories as on Thursday, 23rd September, 2021, ("Cut-off" Date) shall only be entitled to avail the facility of remote e-voting or e-voting at the AGM.

iv. In this regard, the Member's demat account / folio number as on the Cut-off date shall be considered by the Company for participation in voting on resolutions placed by the Company on the e-voting system.

v. Members can opt for only one mode of voting i.e. either by remote e-voting or e-voting at the AGM. Members attending the AGM, who have not cast their vote(s) earlier by remote e-voting shall be able to exercise their right at the Meeting through e-voting at the AGM. Member(s) who have cast their vote(s) by remote e-voting prior to the AGM, may also attend/ participate in the AGM through VC/OAVM but shall not be entitled to cast their vote(s) again.

vi. The voting period begins on Saturday, 25th September, 2021 at 9.00 a.m. and ends on Monday, 27th September, 2021 at 5.00 p.m. During this period, Members of the Company, holding shares either in physical form or in dematerialised form, as on the Cut-off date may cast their vote(s) electronically. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

vii. A person who is a Member as on the Cut-off date shall only be entitled for availing the facility of remote e-voting or e-voting at the Meeting. A person who is not a Member as on the Cut-off date should treat this Notice for information purpose only.

viii. The procedure for casting vote through remote e-voting module is as under:

Pursuant to SEBI Circular No. SEBI/HO/CFD/ CMD/ CIR/P/2020/242 dated 9th December, 2020 on "e-voting facility provided by Listed Companies", e-voting process has been enabled for all the individual demat account holders, by way of single login credential, through their respective demat account / website of Depositories / DPs in order to increase the efficiency of the voting process.

Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider.

Accordingly, Members are advised to update their mobile number and email ID in their demat accounts to access e-voting facility.

Login method for Members holding securities in demat mode / physical mode is given below:

Type of Members	Login Method
Members holding securities in demat mode with NSDL	**1. User already registered for NSDL IDeAS facility** i. Please visit the e-Services website of NSDL at the URL: https://eservices.nsdl.com. ii. Once the home page of e-Services is launched, click on the 'Beneficial Owner' icon under 'Login' which is available under 'IDeAS' section. iii. On the new screen, please enter your User ID and Password. iv. After successful authentication, you will be able to see e-voting services. Click on 'Access to e-voting' under e-voting services. v. On the e-voting page, you will see Company's name or e-voting service provider's name. Click on Company name or that of the e-voting service provider. vi. You will be re-directed to e-voting service provider's website for casting your vote during the remote e-voting period or for joining virtual Meeting and voting during the Meeting.

	2. User not registered for NSDL IDeAS facility i. Option to register is available at the link https://eservices.nsdl.com. ii. Select 'Register Online for IDeAS' or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. iii. Visit the e-voting website of NSDL and follow the steps given in point 1 under this section
	3. Alternatively by directly accessing the e-voting Open web browser by typing the URL viz. https://www.evoting.nsdl.com. i. Once the home page of e-voting system is launched, click on the icon 'Login' which is available under 'Shareholder/Member' section. ii. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL starting with IN – DP ID and Client ID), password/OTP and a verification code as shown on the screen. iii. After successful authentication, you will be redirected to NSDL's website wherein you can see e-voting page. Click on the Company's name or e-voting service provider's name and you will be redirected to e-voting service provider's website for casting your vote during the remote e-voting period or for joining virtual Meeting and voting during the Meeting.
Members holding securities in demat mode with CDSL	**1. Existing users who have opted for Easi / Easiest** i. Please visit the e-Services website of CSDL at the URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com, thereafter, please click on New System 'Myeasi'. ii. On the new screen, please enter your User ID and Password for accessing Easi / Easiest. iii. After successful login of Easi / Easiest you will also be able to see the e-voting menu. iv. The menu will have links of e-voting service provider's i.e. Link Intime, NSDL, CDSL and KFinTech. Click on e-voting service provider's name to cast your vote. **2. If the user is not registered for Easi/Easiest** i. An option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. ii. Then visit the e-voting website of CSDL and follow the steps given in point 1 under this section. **3. Alternatively by directly accessing the e-voting page** You can directly access e-voting page by providing demat Account Number and PAN from the link www.cdslindia.com. i. The system will authenticate your details by sending OTP on registered mobile and email ID as recorded in the demat Account. ii. After successful authentication, you will enter the e-voting module of CDSL. Click on the e-voting link available against Company's name or e-voting service provider's name and you will be re-directed to the e-voting page of service provider to cast your vote.
Members(holding securities in demat mode) and login through their DPs	1. Members can also login using the login credentials of his/her demat account through their DP registered with NSDL/CDSL for e-voting facility. 2. After logging in to the DPs portal, you will be able to see e-voting option. Upon clicking on e-voting option, you will be redirected to respective depository's website after successful authentication to the e-voting feature. 3. Click on the Company's name or e-voting service provider's name and you will be redirected to e-voting service provider's website for casting your vote during the remote e-voting period or for joining virtual Meeting and voting during the Meeting.

Members holding securities in Physical mode and e-voting service provider is RTA	1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in. 2. Click on **'Sign Up'** under **'SHAREHOLDER'** tab and register with your following details: **A. User ID:** Members holding shares in **physical form shall provide** Event No + Folio Number registered with the Company. **B. PAN:** Enter your 10-digit PAN (Members who have not updated their PAN with the RTA/ Company shall use the sequence number provided, if applicable). **C. Date of Birth (DOB) / Date of Incorporation (DOI):** Enter the DOB/ DOI (as recorded with your RTA / Company - in DD/MM/YYYY format) **D. Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with the RTA/Company. Members holding shares in **physical form** but have not provided or updated the information at 'C' or 'D' with their RTA/ Company, should provide their Folio number in 'D' above. 3. Set the password of your choice (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter). 4. Click on "confirm" to generate your new password. 5. Click on 'Login' under '**SHAREHOLDER**' tab. 6. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on **'Submit'.** 7. After successful login, you will be able to see the notification for e-voting. Select **'View'** icon**.** 8. E-voting page will appear on the screen. 9. Refer the resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link). You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour/Against'. 10. After selecting the desired option i.e. Favour / Against, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote. 11. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, Members can login any number of times till you have voted on the resolution(s) for a particular "Event".

ix. If members holding securities in **Physical mode** have forgotten the password, please follow the procedure given below:

a. Click on **'Login'** under **'SHAREHOLDER'** tab and further Click **'forgot password?'** Enter User ID, select Mode and enter image verification code (CAPTCHA).

b. Click on "SUBMIT".

c. In case Member is having valid email address, password will be sent to his/ her registered e-mail address. Else, Member can set the password of his/her choice by providing the information about the particulars of the security question & answer, PAN, DOB/ DOI, dividend bank details, etc. and confirm. (The password should contain minimum 8 characters, with at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

Important note:

- Please note that these details can only be used for voting on the resolutions contained in this Notice.
- It is strongly recommended not to share password with any other person and take utmost care to keep it confidential.

x. If Members holding securities in **dematerialised mode** are unable to retrieve User ID/ Password are advised to use Forgot User ID and Forgot Password options available at the Depository's /DP's website.

Important note:

- It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.
- During the voting period, Members can login any number of times till they have voted on the resolution(s) for a particular "Event".

Contact details of helpdesk of Depositories:

Members may contact the respective helpdesk, as per the details given below:

Login type	Helpdesk details
Members holding securities in demat mode with NSDL	i. Please send a request at evoting@nsdl.co.in; 'or' ii. Please call at toll free no.:1800 1020 990 and 1800 22 44 30.
Members holding securities in demat mode with CDSL	i. Please send a request at helpdesk.evoting@cdslindia.com or ii. Please contact at 022- 23058738 or 022-23058542-43.

I General Guidelines for Members:

i. Institutional Member(s) (i.e. other than Individuals,HUF, NRI, etc.) and Custodian(s) are required to log on to e-voting system of RTA: https:// instavote.linkintime.co.in and register themselves as 'Custodian / Mutual Fund / Corporate Body'.

ii. They are also required to upload a scanned certified true copy of the Board resolution / authority letter/power of attorney, etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login, for the Scrutiniser to verify the same.

iii. Members holding multiple folios/demat accounts shall choose the voting process separately for each of the folios/ demat accounts.

In case the Members have any queries or issues regarding remote e-voting, please refer the Frequently Asked Questions ("FAQs") and Instavote e-voting manual available at https://instavote.linkintime.co.in, under 'Help' section or write an e-mail to enotices@linkintime.co.in or call on 022 - 49186175 / 49186000.

Any person who acquires shares of the Company and becomes a Member of the Company after the dispatch of this AGM Notice and holds shares as on the Cut-off date may obtain the login id and password by sending a request at rnt.helpdesk@linkintime.co.in / insta.vote@linkintime.co.in or call on 022 - 49186175 / 49186000.

II. Instructions for Members to Vote during the AGM through InstaMeet (VC/OAVM):

Once the electronic voting is activated by the Scrutiniser during the Meeting, the Members who have not exercised their vote(s) through the remote e-voting can cast their vote(s) as under:

i. On the Member's page/VC page, click on the link for e-voting "Cast your vote".

ii. Enter demat account no. / folio no. and OTP (One Time Password), received on the registered mobile number/ registered e-mail ID, during registration for InstaMeet and click on 'Submit'.

iii. After successful login, see "Resolution Description" and against the same the options "Favour/ Against" for voting.

iv. Cast vote by selecting appropriate option i.e. Favour/Against, as desired.

v. Enter the number of shares (which represents no. of votes) as on the Cut-off Date under 'Favour/ Against'. You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour/Against'.

vi. After selecting the appropriate option i.e. Favour/ Against as desired, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.

vii. Once the vote is confirmed on the resolution, any modification or change is not allowed subsequently.

Notes:

Members who will be present in the AGM through InstaMeet facility and have not cast their vote(s) on the resolutions through remote e-voting and/are otherwise not barred from doing so, shall be eligible to vote through e-voting facility during the Meeting.

Members who have voted through remote e-voting prior to the AGM will be eligible to attend/ participate in the Meeting through InstaMeet. However, they will not be eligible to vote again during the Meeting.

In case the members have any queries or issues regarding e-voting, you may write an email to instameet@linkintime.co.in or call on: 022 - 49186000 / 49186175 InstaMeet support desk, of the RTA.

III. Instructions for Members attending the AGM through InstaMeet:

Instructions for Members to attend the AGM through InstaMeet are as under:

i. Members are entitled to attend the AGM through VC/OAVM provided by the RTA by following the below mentioned process. Facility for joining the AGM through VC/OAVM shall be open 30 minutes before the time scheduled for the AGM and shall expire 15 minutes after the scheduled time of the Meeting, and will be available to the Members on first come first serve basis.

ii. Members are requested to participate on first come first serve basis as participation through VC/OAVM is limited and will be closed on expiry of 15 minutes from the scheduled time of the AGM. Members with >2% shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel, Chairpersons of Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Auditors, etc. may be allowed to attend the Meeting without restrictions of first come first serve basis. Members may log-in and join 30 minutes prior to the scheduled time of the Meeting and window for joining shall be kept open till the expiry of 15 minutes after the scheduled time.

iii. Members will be provided with InstaMeet facility wherein they shall register their details and attend the AGM as under:

1. Open the internet browser and launch the URL for InstaMeet https://instameet.linkintime.co.in and register with following details:

a. DP ID / Client ID or Beneficiary ID or Folio No.: Enter your 16 digit DP ID / Client ID or Beneficiary ID or Folio Number registered with the Company

- Members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
- Members holding shares in NSDL demat account shall provide sixteen digit demat number - 8 Character DP ID followed by 8 Digit Client ID
- Members holding shares in physical form shall provide Folio Number registered with the Company

b. PAN: Enter your 10 digit PAN. (Members who have not updated their PAN with the DP/Company shall use the sequence number provided to them, if applicable)

c. Please enter your mobile number.

d. Please enter your email ID as recorded with your DP/RTA/Company.

2. Click on "Go to Meeting". You are now registered for InstaMeet and your attendance is marked for the meeting.

Notes:

Members are encouraged to join the Meeting through tablets/ laptops connected through broadband for better experience.

Members are required to use internet with a good speed preferably 2 MBPS download stream to avoid any disturbance during the Meeting.

Please note that Members connecting from mobile devices or tablets or through laptops connecting via mobile hotspot may experience Audio/Visual loss due to fluctuation in their network. It is, therefore, recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case the Members have any queries or issues regarding login/ e-voting, they can write an e-mail to instameet@linkintime.co.in or call on 022 - 49186175 / 49186000, the InstaMeet support desk.

16. **Instructions for Members to register themselves as speakers during AGM:**

Members who would like to express their views/ ask questions during the Meeting may register themselves as a speaker by sending their request mentioning their name, demat account number/ folio number, e-mail address, mobile number at cs@khil.com from 21st September, 2021 (9:00 a.m. IST) to 24th September, 2021 (5:00 p.m. IST).

Members will receive "speaking serial number" once they mark attendance for the Meeting.

Other Members may ask questions to the panelist(s), via active chat-board during the Meeting.

Please quote your serial number and start your conversation with panelist(s) by switching on the video and audio of your device.

Members are requested to speak only when the moderator of the Meeting will announce the name and serial number for speaking.

The caption/subject of the email may please be mentioned as “Speaker for AGM_<DP ID>_<Client ID>”. Those Members who have registered themselves as speaker will only be allowed to express their views / ask questions during the Meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

Members, who would like to ask questions, may send their questions in advance mentioning their name demat account number/folio number, email ID, mobile number at cs@khil.com. The same will be replied by the Company, suitably.

Members should be allowed to use camera and required to use internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance while speaking.

The Company has appointed M/s. V. V. Chakradeo & Co., Practicing Company Secretaries as the Scrutiniser to review that the process of e-voting is conducted in a fair and transparent manner and issue a report on the votes through remote e-voting and those cast at the AGM.

17. Declaration of results on the resolutions:

i. The Scrutiniser shall, immediately after the conclusion of voting at the AGM, count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. The Scrutiniser shall make, not later than two working days from conclusion of the Meeting, a consolidated Scrutiniser’s Report of the total votes cast in favour or against each resolution, invalid votes, if any, and whether the resolution(s) has/ have been carried or not. This report shall be submitted to the Chairperson or a person authorised by him, in writing, who shall countersign the same.

The results shall be declared after the AGM of the Company and shall be deemed to be passed on the date of AGM. The results along with the Scrutiniser’s Report shall be placed on the website of the Company www.khil.com, within two working days of passing of the resolutions at the AGM of the Company and shall be communicated to BSE Limited and National Stock Exchange of India Limited, where the Company’s equity shares are listed. RTA, who has provided the platform for facilitating remote e-voting, will also display these results on its website https://instavote.linkintime.co.in. The said results shall also be displayed at the registered office of the Company.

Members may note that the Notice will also be available on the Company’s website www.khil.com, RTA’s website https://instavote.linkintime.co.in; websites of the stock exchanges i.e. BSE Limited at www.bseindia.com and also National Stock Exchange of India Ltd.at www.nseindia.com.

18. Members are requested to kindly keep the Annual Report sent to their registered e-mail ID with them while attending the AGM through VC/ OAVM.

19. The recorded transcript of the AGM, shall also be made available on the website of the Company www.khil.com under the tab of ‘Investor’.

20. Since the AGM will be held through VC/OAVM Facility, the route map is not annexed with this Notice.

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

Place: Mumbai
Date: 29th June, 2021

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

Hemal Sagalia
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:

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. Vilas Ramchandra Koranne (DIN 09151665) be appointed as an Independent Director on the Board of the Company.

The appointment of Mr. Vilas Ramchandra Koranne 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. Vilas Ramchandra Koranne, for the office of Director of the Company. It is further clarified that Mr. Vilas Ramchandra Koranne 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. Vilas Ramchandra Koranne that he meets the criteria of independent 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. Vilas Ramchandra Koranne, 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. Vilas Ramchandra Koranne, is independent of the management and possesses appropriate skills, experience and knowledge. Details of Mr. Vilas Ramchandra Koranne is 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.

ITEM NO. 4:

Ms. Vidita V. Kamat (DIN: 03043066) was appointed as an Additional Director by the Board of Directors of the Company with effect from 29th September, 2020 pursuant to Section 161 of the Companies Act, 2013. As per Section 161 of the Companies Act, 2013, she holds the office of Director up to the date of the forth coming 34th Annual General Meeting is eligible for appointment. The Company has received a notice in writing along with requisite security deposit from a member proposing the candidature of Ms. Vidita V. Kamat as a Director of the Company under the provisions of Section 160 of the Companies Act, 2013. Therefore, it is proposed to appoint Ms. Vidita V. Kamat as Director of the Company whose term shall be liable to retire by rotation.

Ms. Vidita V. Kamat is a commerce graduate (Mumbai University) and Diploma in Craft Course. She has 10 years of experience in Bakery & Confectionary.

As per Section 152(4) of the Companies Act, 2013, Ms. Vidita V. Kamat has furnished her Director Identification Number to the company. The company has also received declaration that she is not disqualified to become a Director under the Companies Act, 2013. The Nomination and Remuneration Committee has recommended to the Board, appointment of Ms. Vidita V. Kamat as a Director of the Company. The brief resume of Ms. Vidita V. Kamat provided in **Annexure II** to the notice. The Directors recommend the passing of the resolution set out at Item No. 4 of the accompanying Notice as an Ordinary Resolution. Except Ms. Vidita V. Kamat and Dr. Vithal V. Kamat there is no concern or interest, financial or otherwise of any director, key managerial personnel of the Company or their relatives in respect of the said resolution. Copy of draft letter of appointment of Mr. Vilas Ramchandra Koranne and Ms. Vidita V. Kamat, 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 (except Dr. Vithal V. Kamat and Vishal V. Kamat) / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially otherwise, in the resolution set out at Item No. 3 and 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. 3 & 4 of the Notice for approval by the members.

DISCLOSURES:

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

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

Place: Mumbai
Date: 29th June, 2021

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

Hemal Sagalia
Company Secretary & Compliance Officer

ANNEXURE II TO THE NOTICE

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: Mr. Vilas Ramchandra Koranne (DIN 09151665)

   Mr. Vilas Ramchandra Koranne has done B. E. (Civil) Bombay University passed in the year 1976. Worked in M.C.G.M. post of Sub Engineer, Asst. Engineer and Deputy Chief Engineer for 33 years.

2. Name: Ms. Vidita V. Kamat (DIN 03043066)

   Ms. Vidita V. Kamat is a commerce graduate (Mumbai University) and Diploma in Craft Course. She has 10 years of experience in Bakery & Confectionary.

Particulars	Name of the Directors	
	Ms. Vidita V. Kamat	Mr. Vilas Ramchandra Koranne
Date of birth	1st August, 1987	8th September, 1952
Nationality	Indian	Indian
Director since	29th September, 2020	29th June, 2021
Qualifications	Commerce graduate (Mumbai University) and Diploma in Craft Course	B. E. (Civil) Bombay University
Experience & expertise	10 years of experience in Bakery & Confectionary	33 years in M.C.G M. on post Sub Engineer, Asst. Engineer and Deputy Chief Engineer
Shareholding in Company	500	NIL
Other Company Directorship	None	None
Chairmanship/membership of Committees*	Member of Stakeholders relationship Committee	Member of Stakeholders relationship Committee
Relationship between the Directors inter-se	daughter of Dr. Vithal V. Kamat, ECMD of the Company	None

*Committee Membership or chairmanship includes only Audit Committee and stakeholders relationship committee of public limited Companies (if listed or not).

BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the 34th Annual Report together with the Audited Financial Statements (Standalone and Consolidated) of the Company for the financial year ended 31st March, 2021.

FINANCIAL SUMMARY:

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

(Rs. in lakhs)

Particulars	Standalone	
	Year ended 31st March, 2021	**Year ended 31st March, 2020**
Total Income	**5,262.75**	**17,958.92**
Profit Before Interest, Depreciation &Taxation	803.70	5,712.31
Less: Interest and Finance Charges (net)	3,890.77	3,436.40
Less: Depreciation and Amortisation	1,000.86	1,051.70
Profit / (Loss) Before Exceptional Item and Tax	**(4,087.93)**	**1,224.21**
Add/(Less): Exceptional Item – Income / (expenses) (Net)	373.17	2,369.28
Profit Before Tax	**(3,714.76)**	**3,593.49**
Less: Current tax	-	297.75
Add: Deferred Tax (credit)	(957.56)	(273.85)
(Loss) Profit After Tax	(2,757.20)	3,569.59
Other Comprehensive Income	34.15	9.50
Total Comprehensive Income	**(2,723.05)**	**3,579.09**
Basic & diluted earnings per share (in Rs.)	**(11.69)**	**15.14**

PERFORMANCE REVIEW:

The average occupancy of hotels of the Company i.e. 'The Orchid, Mumbai', was around 27 % and VITS Mumbai was around 48 %. The Average Room Rate during the year under review, was at Rs. 3,145 at The Orchid, Mumbai as compared to Rs. 5,950 in the previous year and at Rs. 2,501 at VITS, Mumbai as compared to Rs. 4,477 in the previous year.

STANDALONE:

The total revenue from operations of the Company for the year was recorded at Rs. 5,162.26 lakhs (of which the turnover of Rs. 1,855.37 lakhs pertains to The Orchid, Mumbai, Rs. 1,016.51 lakhs pertains to VITS Mumbai and Rs. 2,290.38 lakhs pertains to other units) as against Rs. 17,868.93 lakhs in the previous year, a decrease of around 71.11% over the last year. The Company's loss after tax is Rs. 2,757.20 lakhs as compared to profit of Rs. 3,569.59 lakhs of previous year (excluding other comprehensive income).

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. During the year under Review, company had accorded its consent to enter into Loyalty and Service agreement with Orchid Loyalty Private Limited to increase revenue of its Units/Hotels.

DIVIDEND:

In view of the prolonged lockdown and consequent travel restrictions to avoid spread of COVID-19 pandemic imposed by the Government of India as well other countries globally almost all business segments were severely impacted. In these unforeseen and uncertain times, it is difficult to predict when business conditions will normalise. Therefore, in view of losses in current year and in order to conserve cash and ensure/liquidity for the operations for the Financial Year 2020-21, the Board of Directors decided not to recommend any dividend to the shareholders for the financial year 2020-21.

TRANSFER TO RESERVES:

Due to losses in FY 2020-21, no amount has been transferred to Reserves.

SHARE CAPITAL:

There was no change in the share capital of the Company during the year. As on 31st March, 2021, the Authorised Share Capital of the Company stands at Rs. 3,425 lakhs (excluding forfeited share capital) divided into 3,42,50,000 equity shares of Rs. 10/- each whereas the issued, subscribed and paid up capital stood at Rs. 2,358.41 lakhs divided into 2,35,84,058 equity shares of Rs. 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 VENTURECOMPANIES 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 with the Consolidated Financial Statement of the Company, hence not repeated for the sake of brevity. As on 31st March, 2021 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 and Resorts Limited

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.

NOTE ON FINANCIALS OF SUBSIDIARY (OHPPL):

- In respect of subsidiary Company i.e. Orchid Hotels Pune Private Limited (OHPPL),(i) Vide agreement dated 24thDecember 2018, International Asset Reconstruction Company Private Limited (IARC) purchased the loan from M/s Asset Reconstruction Company India Limited (ARCIL) [lender to whom loan was sold/assigned by ICICI Bank in earlier years] for an aggregate amount of Rs. 13,500.00 lakhs on cash basis which as per the legal advice received by the Company is not in compliance of the circulars / notifications issued by Reserve Bank of India. Even otherwise, the said sale could not be termed either as sale or assignment as there existed non-compliance of mandatory provisions of law in order to effectuate such a transactions in compliance with the provisions of law.
- As per the books of the company, total outstanding towards this loan is Rs. 18,833.99 lakhs (including interest liability accounted in books upto 30th September, 2013). The interest amount from 1stOctober, 2013 till 31st March, 2021 has not been provided in book nor has the same been quantified. Non provision of interest is not in compliance with the accounting treatment as prescribed under Ind. AS 23 Borrowing Cost.
- As per the legal opinion obtained by the management of OHPPL and in accordance with the settlement arrangement between Company, subsidiary and IARC, the liability shown in financial statement of the subsidiary as well as loan and guarantees in the financial statement of the Company (i.e. Guarantors) would get extinguished. Further, the Company has agreed to transfer 100% equity shares of the subsidiary company (OHPPL) to IARC for a consideration of Rs. 1/- and in turn thereof IARC shall release all the corporate and personal guarantees unconditionally. The other terms/conditions and obligation as agreed between the parties along with the extinguishment as mentioned above will be accounted when the definitive agreement is executed. IARC has replied to the Company, in principle agreeing to the terms of the settlement and also suggested that modalities for achieving this are being worked out. Accordingly, as per the Company no further liability is required to be accounted now.

The statutory auditors have continued to comment on this matter in their report on the financial results for the quarter and twelve months ended 31st March, 2021 in line with their earlier reports.

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:

As on the date of this report, the Company has 6(Six) Directors including 3(Three) Executive and 3(Three) Independent Directors.

a. Appointment/Resignation from the Board of Directors:

During the year under review, Mr. Dinkar D. Jadhav left for his heavenly abode on 19th February, 2021. Mr. Vilas Ramchandra Koranne was appointed as a Non-Executive Independent Director (Additional Director) on the Board of the Company w.e.f. 29th June, 2021 based on the recommendation of Nomination and Remuneration Committee to hold office upto the ensuing Annual General Meeting of the Company. Accordingly approval of the Members is sought for regularization of Mr. Vilas Ramchandra Koranne as Independent Director of the Company for a term of 5 years.

During the year under review, Ms. Vidita V. Kamat was appointed as an Additional Director on the Board of the Company w.e.f. 29th September, 2020, the term of Ms. Vidita V. Kamat as an Additional Director expires at the ensuing Annual General Meeting. Accordingly approval of the Members is sought for regularization of Ms. Vidita V. Kamat as Director of the Company.

b. Directors retiring by rotation:

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Sanjeev B. Rajgarhia (DIN 07857384), Director of the Company, retire by rotation, at the ensuing Annual General Meeting, and being eligible, offers himself for re-appointment

c. Declaration by Independent Directors:

The Company has received necessary declaration from each of the Independent Directors, under Section 149(7) of the Companies Act, 2013, that he / she meets the criteria of Independence as laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015. In the opinion of the Board, the Independent Directors, fulfill the conditions of independence specified in Section 149(6) of the Act and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. There has been no change in the circumstances affecting their status as Independent Directors of the Company. The Independent Directors have also confirmed that they have complied with the Company's Code of Business Conduct & Ethics.

d. Woman Director:

In terms of the provisions of Section 149 of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has complied with the requirement of having at least one Independent Woman Director. on the Board of the Company.

e. Non-Executive Directors:

Dr. Vithal V. Kamat, Executive Chairman and Managing Director, Mr. Sanjeev Badriprasad Rajgarhia and Ms. Vidita V. Kamat are the Non-Executive Directors of the Company. Others are Independent Directors of the Company.

f. Key Management Personnel (KMP):

During the year under review, Ms. Shruti Shrivastav and Ms. Ruchta Shah resigned from the post of Company Secretary w.e.f. 15th December, 2020 and 13th May, 2021 respectively. Thereafter Mr. Hemal Sagalia has been appointed as Company Secretary and Compliance Officer and Key Managerial Personnel of the Companyw.e.f. 29th June, 2021

As on date Ms.Smita Nanda, Chief Financial Officer and Mr. Hemal Sagalia, Company Secretary are the Key Managerial Personnel of the Company in accordance with the provisions of Section 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules-2014, beside Dr. Vithal Kamat.

FAMILIARISATION PROGRAMMES FOR INDEPENDENT DIRECTORS:

The Company constantly endeavors to familiarize its Independent Directors 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 betterment 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 OF ANNUAL RETURN:

As provided under Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, the extract of annual return in Form MGT-9 is available on the website of the Company at https://www.khil.com/annual-reports/annual-reports.html

NUMBER OF MEETINGS OF THE BOARD:

During the financial year under review, 7(Seven) 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 2021, 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. Also read "note on Financial of subsidiary" (OHPPL) on Page No. 13.
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, 2021 and of the profit or losses 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 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:

(Rs. In lakhs)

Particulars	Opening Balances	Movement during the year	Closing Balance
Loans Given	-	-	-
Guarantee Given/ Security Provided	22,514.00	-	22,514.00
Investment Made	23.13	5.81*	28.94
*Movement in the year represents Fair value adjustment			

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 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.

During the year, the Company has not entered into any contract, arrangement or transaction with Related Parties that could be considered material in accordance with the Related Party Transaction Policy of the Company.

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 24th March, 2021.

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 functioning of the Vigil mechanism is reviewed by the Audit Committee from time to time.

None of the whistle blowers have been denied access to the Audit Committee of the Board. 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 recommendations made by the Audit Committee were 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.

The Company has reported the Pandemic caused by the Covid-19 as governed under the Companies Act, 2013.

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 AUDIT:

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, 2021. The Secretarial Audit Report for the Financial Year ended 31st March, 2021 issued by M/s. V. V. Chakradeo & Co., Practicing Company Secretaries is annexed herewith marked as "***Annexure A***" to this Annual Report.

EMPLOYEE REMUNERATION: [DETAILS AS PER SECTION 197(12) READ WITH RULE 5 OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIALPERSONNEL) RULES, 2014]:

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 B***" 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:

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: Rs. 174.05 lakhs (Previous Year Rs. 1,745.60 Lakhs) Utilization (including import of capital goods): Rs. 7.13 lakhs (Previous Year Rs. 13.95 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 had an impact on the 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 Company has in place adequate internal financial controls with reference to financial statements, commensurate with the size, scale and complexity of its operations. The Company has laid down standards, processes and structures which enable implementation of internal financial control across the organization and ensure that the same are adequate and operating effectively. Financial Controls are operative for all the business activities of the Company and no material weakness in the design or operation of any control was observed. During the year the internal financial controls as laid down are adequate and were operating effectively.

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.

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 understands 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 responsibility 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 C"*** 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.

NOMINATION AND REMUNERATION POLICY

Nomination and remuneration policy is available on the website of the company under the investors section.

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 D".***

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 E"***. 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:

Your Company has zero tolerance towards any action on the part of any employee which may fall under the ambit of 'Sexual Harassment' at workplace, and is fully committed to uphold and maintain the dignity of every woman employee in the Company. The Company's policy provides

for protection against sexual harassment of women at workplace and for prevention and redressal of such complaints. All employees (permanent,contractual, temporary, trainees) are covered under this policy. During the year no complaints pertaining to sexual harassment were received.

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.

EXPLANATION ON QUALIFICATION MADE BY STATUTORY AUDITORS / SECRETARIAL AUDITOR:

The Statutory Auditors' Report on the Standalone Financial Statements and the Secretarial Auditor's Report do not contain any qualification.

The Statutory Auditors, in their report on Consolidated Financial Statements for the year ended 31st March, 2021, have invited reference to Note 36.1 a) of notes to the financial statements and stated that, in their opinion, non-provision of interest on the secured loan taken by Company's

Subsidiary viz., Orchid Hotels Pune Private Limited (OHPPL) in its books from 1st October, 2013 till 31st March, 2021 is not in compliance with Ind AS 23 – Borrowing Cost. Your Directors are of the view that no provision for interest is required to be made in the books of accounts for the reasons detailed in Note 56.2 of the notes to the financial statements, which are self-explanatory.

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
KAMAT HOTELS (INDIA) LIMITED

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

Place : Mumbai
Date : 29th June, 2021

ANNEXURE “A” TO THE BOARD’S REPORT

FORM NO MR - 3

SECRETARIAL AUDIT REPORT

For the Financial year ended 31st March, 2021

[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, whereby report that in our opinion the company had during the audit period covering the financial year ended on 31st March 2021 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, 2021 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 (Listing Obligations and Disclosure Requirement) Regulations, 2015;
        b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
        c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
        d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
        e. The Securities and Exchange Board of India (Share Based Employee Benefits), Regulations 2014;
        f. The Securities and Exchange Board of India (Issue of Listing of Debt Securities) Regulations, 2008;
        g. 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;
        h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and (Not applicable during the Audit period)
        i. 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 Securities Contracts (Regulation) Act, 1956 and the rules made there under;
        2. The Securities and Exchange Board of India Act, 1992
        3. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
        4. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
        5. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
        6. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
        7. 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.
        8. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
        9. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under
        10. 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
    20. Acts, Rules, Regulation relating to Restaurant Division:
    21. Bombay Police Act, 1951
    22. The Water (Prevention & Control of Pollution) Act, 1974
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)	Police Licenses	• 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 Safely 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	Sound recording
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 Act, 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 no 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.

Ms. Shruti Shrivastav resigned as Company Secretary w.e.f. 15th December, 2020 and Ms. Ruchita Shah resigned as Company Secretary w.e.f. 13th May, 2021 and the Company has appointed Mr. Hemal Sagalia as Company Secretary w.e.f 29th June, 2021.

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 : 29th June, 2021

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

Place : Mumbai
Date : 29th June, 2021
UDIN : F003382C000537674

V. V. Chakradeo
COP 1705. FCS 3382

KAMAT HOTELS (INDIA) LIMITED

ANNEXURE "B" 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 31 MARCH 2021.

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 2020-21 is as under:

Sr. No.	Name of KMP	Designation	% increase remuneration during FY 2020-21
1	Dr. Vithal V. Kamat	Executive Chairman and Managing Director	NA
2	Mrs. Smita Nanda	Chief Financial officer	NA
3	Mr. Shailesh Bhaskar*	Company Secretary & compliance officer	NA
3	Ms. Shruti Shrivastav**	Company Secretary & compliance officer	NA
4	Ms. Ruchita Shah***	Company Secretary & compliance officer	NA

*Mr. Shailesh Bhaskar resigned as Company Secretary and Compliance Officer of the Company w.e.f. 10th June, 2020

** Appointed as Company Secretary and Compliance Officer w.e.f. 30th July, 2020 and resigned as Company Secretary and Compliance Office of the Company w.e.f. 15th December, 2020

*** Appointed as Company Secretary and Compliance Officer w.e.f. 8th February, 2021 and resigned on 13th May, 2021.

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 654 permanent employees on the rolls of the Company during FY 2020-21.

iii. Average percentage increase made in the remuneration of employees other than the managerial personnel in the last financial year i.e. FY 2020-21 was NIL.

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

ANNEXURE "C" 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 29th June, 2021 the CSR Committee was reconstituted. At present the following is the composition of CSR Committee:

   Mr. Ramnath P. Sarang

   Mrs. Harinder Pal Kaur

   Mr. Sanjeev Badriprasad Rajgarhia

   Ms. Vidita V. Kamat

   Mr. Vilas Ramchandra Koranne

3. Average net profit for the last three financial years: Rs. 625.54 Lakhs

4. The prescribed expenditure on CSR as under:

5. Details of CSR spent during the financial year: Rs. 12.57 lakhs

   Amount required to be spent for FY 2020-21: Rs. 12.51 lakhs

   Amount unspent, if any: NIL

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

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

S.No.	CSR activity identified	Sector in which the activity is covered	Programs (1) Local area or other (2) Specify the State and district where programs was undertaken	Amount outlay (budget) programs wise	Amount spent on the programs Sub- Heads: (1) Direct expenditure on programs. (2) Overheads:	Cumulative expenditure upto to the reporting period.	Amount spent: Direct or through implementing agency
1	Beautification of Gardens in Mumbai.	Protection of Flora and Fauna	The Orchid	4,67,000	4,67,000	4,67,000	Direct
2	Advance Locality Management	Environmental awareness among Society	The Orchid	88,200	88,200	88,200	Direct
3	Covid-19 Related Expenses.	Health Awareness among Society.	All Units	6,76,738	6,76,738	6,76,738	Direct
4	Salary for Conducting CSR Activities to Environment Officer	Environmental awareness among Society	The Orchid	25,000	25,000	25,000	Direct
			Total	12,56,938	12,56,938	12,56,938	

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

	Ramnath P. Sarang	Sanjeev B. Rajgarhia	Vidita V. Kamat
Place : Mumbai	Chairman of CSR Committee	Member- CSR Committee	Member- CSR Committee
Date: 29th June, 2021	DIN 02544807	DIN 07857384	DIN 03043066

ANNEXURE 'D' TO THE BOARD'S REPORT

Management Discussion And Analysis

PROLOGUE:

The abysmal set of events of 2020 tested the endurance power of our business model, people and financial capabilities and sustainability. The pandemic has been brutal, a hard nut to crack and unpredictable in its sweep and all pervasive. The year 2020 marked an unprecedented collapse like pack of cards in the global economy as the outbreak of Corona virus towards the end of 2019 inflicted severe humanitarian costs on the world. To lock the horns with COVID 19 and as a health emergency, all doyen economies promulgated nationwide lockdowns, frontiers were sealed and social distancing norms, bringing economic life on stagnancy like lame duck. This resulted in a global economic growth to contract by 3.3% as against 2.8% growth witnessed in 2019, marking one of the abysmal fiscal. Global prospects continue to remain shaky and fragile one year into the pandemic. Mammoth of fiscal and monetary stimulus packages released by the governments and central banks across the globe are playing a significant role in this recovery. Successful vaccination program is expected to further propel investor sentiments leading to galloping in private capital inflows and fixed capital formation. Backed by the improving macro-economic indicators, the IMF estimates the global economy to grow at 5.5% in 2021.

The Global Economy

It was the year of de-growth of 3.5% in 2020 for global economy compared to a growth of 2.9% in 2019. The reason for this drastic fall in global economic growth was largely due to the outburst of the coronavirus and consequent calling off the economic activities across the cosmos. However, the silver line in the dark cloud is that the global economy is expected to grow by 5.5% in 2021 largely on account of the successful roll-out and execution of vaccines across the globe, coupled with policy support in major economies. The coronavirus infected close to 150 million and caused the death of approximately 3 million people worldwide by end April 2021. For chronic period, uncertainties and panic paralyzed economic activities in both developed and developing economies. Manufacturing, trade and tourism came to standstill, while job and output losses caused enormous hardship. Governments around the world responded rapidly to curb the contagion and its economic impact through fiscal and monetary stimulus packages.

The pandemic clearly turmoil the developed economies relentlessly, given the stringent lockdown measures that most of the nations in Europe and several states of the United States of America imposed early on during the outbreak.

The crisis played havoc role in global trade, constrained cross-border commuting, stalled international production networks and depressed demand across the globe. Overall, global trade in goods and services is estimated to have declined by 7.6% in 2020, a slightly smaller contraction than during the global financial crisis. The fiscal outlays from the developed countries represented nearly 80% of the total fiscal stimulus provided by governments worldwide, with US, Japan & Germany accounting for more than 50% of all the fiscal stimulus worldwide. After trade flows collapsed in the early stages of the pandemic, merchandise trade has been recovering, led by China and other Asian economies that were relatively successful in containing the spread of the virus and experienced a faster-than expected rebound in economic activities. The World Bank expects global economy to expand 4% in 2021, provided vaccine rollout is widespread. Meanwhile, output in developed economies, which shrunk by 5.4 % in 2020, is projected to recover by 3.3 % in 2021.

As per World Bank, the emerging markets and developing countries experienced a relatively less severe contraction of 2.6% in 2020 and is projected to grow by 5% in 2021. On the back of China's quick and robust recovery (GDP growth forecast of 7.9 % in 2021), the East Asian economies are supposed to grow by 7.5% in 2021.International Monetary Fund (IMF) April'21 report pegs the global economy growth to 5.5% in 2021 and have increased the growth estimates for all geographies. A repeat infection wave, however, has set off new lockdown measures in various parts of the cosmos since early 2021, tanked the prospects of a quick economic recovery. Downside risks prevail, including the possibility of a further increase in the spread of the virus, delays in vaccine procurement and distribution, and financial stress triggered by high debt levels and weak growth adding insult to the injuries.

Indian Economy

The Indian government promulgated a nationwide lockdown on public movement and economic activity in the end of March 2020. The lockdown staggered an already slowing economy as 1.38 billion Indians stayed couch potatoes - one of the most stringent lockdowns anywhere.

The outbreak of the novel coronavirus impacted the Indian economy during the first quarter of the year under review. The Indian economy has witnessed a whopping de-growth of 23.9 per cent in the first quarter of 2020-21, the sharpest de-growth experienced by the country since the index was prepared.

The Indian and state governments selectively lifted controls on movement, mass gatherings and events from June 2020 onwards. The result is that India's relief consumption, following the lifting of social distancing controls, translated into a full-blown economic recovery.

A number of sectors in India – real estate, steel, cement, home building products and consumer durables, among others - reported unprecedented growth. India de-grew at a relatively improved 7.5 per cent in the July-September quarter and reported 0.4 per cent growth in the October-December quarter but the hospitality and tourism sector has eternal waiting to open up since it is poised on the last position in the list of opening up.

Our domestic economy too is no exception to the global carnage and in tandem with the global economy, India posted major economic disruptions in Fiscal 2020-21, as the outbreak of COVID-19 perversely impacted human health and safety of the country's citizen. This mandated the government to impose strict lockdowns, bringing manufacturing and trade activities to a screeching halt. Prolonged lockdown exacerbated existing vulnerabilities of the country including the weakened financial sector, private investments, liquidity constraints and consumption demand. Mobility restrictions and social distancing led to unparalleled supply-chain disruptions and consumer demand fallout. This forced the Indian GDP to contract by 8.0% in FY 2020-21 as against a growth of 4.0% in FY 2019-20, marking a recession since 1980.

The government announced a special comprehensive package of ₹ 20 Trillion, equivalent to 10% of India's GDP under 'Self-reliant India' movement to revive the country's economic activity. The economic package is for different segment of the economy including industries, MSMEs, common people with the aim to cover land, labour, and liquidity related issues. The organizations have been assisted with collateral free loans for businesses to rejuvenate the economy.

With the government's focus on "Make in India" initiative, custom duty has been increased on import of electrical appliances, to de-incentivize their imports. The Reserve Bank of India (RBI) continued with the accommodative monetary stance by bringing key repo rate and reverse repo rate to 4% and 3.35% respectively to provide monetary stimulus and trigger economic growth back to the earlier trajectory. The fiscal and monetary stimulus provided by the government and RBI would assist greatly in the recovery of the economy.

The government re-opened the economy in a phased manner since June 2020 with strict standard operating procedures. Despite the challenges posed by the pandemic in FY 2020-21, the outlook for FY 2021-22 appears to be encouraging. This is largely attributed to mass vaccination drives, normalising business activities, the government's thrust on reviving infrastructure sector, revival in housing demand backed by historically low-interest rates, improving banking balance sheet and India's increasing prominence in the global supply chain.

Travel & Tourism:

India

At macro level, international arrivals have observed steep decline of 74% in 2020. At regional level, the tourist arrival has dropped 85% in Europe and Africa, 84% in middle east region, 77% in U.S and the worst hit Asia saw a sharp decline of 96% in January 2021. In Indian context, the Travel & Tourism Industry has been a major source of growth for the Indian economy. Over the past few years, tourism has witnessed steady growth, aided by the shift from foreign to domestic tourism driven by the rising purchasing power of the expanding middleclass. Travel & Tourism industry's total contribution to the country's GDP equated to 6.8% or Rs. 16,681 billion. This decline in 2020 is attributed to the impact of pandemic COVID 19 that has pushed pause button on cross border travelling which is taboo coupled with nationwide lock down since March 2020, restricted travelling at international and national level which has resulted into almost no occupancy of rooms in the hospitality sector. The sector is the last one to lift restriction and in most of the period since March 2020, the sector has not opened up for the public at large. The economy has hardly came out from the first wave and the hospitality sector opened up with low capacity, the relentless striking of second wave of COVID 19, has again mandated many states to impose the lock down again.

In India, we have recently witnessed the genesis of cases of new mutant of COVID 19 in back step of which many nations have re imposed stringent travel restrictions, mandatory testing, quarantines, and in some cases, frontiers were closed with domestic lockdowns. This has adversely effected the resumption of international travel. Further, the speed of vaccinations has been ongoing at snails pace with each states have their own limitations and issues across the nation. Since most of the destinations worldwide are having full or partial closure, and the internationally, there has been a loss of about 260 million international arrivals dampening the sector with lackluster performance.

The industry continued to generate over 8% of employment, amounting to 40 million jobs, and significantly contributes to the Foreign Exchange Earnings of the country.

In calendar year 2020, we have witnessed meagre 2.68 million Foreign Tourist Arrivals in the country in compare to 11 million last year,

The key parameter of occupancy, during the calendar year was 34.5% with occupancy during the pandemic period of March to December, 2020 was slightly lower at 27.8%. The sector witnessed boost up in occupancies from October 2020, averaging slightly higher at 38% for the period October-December, 2020. Leisure activity showed a positive revival in select destinations. The other major revenue contributor of weddings were back, but in small tick size due to restriction on gathering of more than 50 to 100 persons in wedding, In work form home scenarios, another growth driver of business travel and corporate events were very rare and nominal as corporate India avoided out stations travelling due to risk and exposure to COVID.

The cooling down of COVID patient numbers due to lockdown, the sector has registered an occupancy of 49.6% in Q4 FY 2020- 2021 as against 56.1% in Q4 FY 2019-20, with a 39% decline in Revenue per Available Room (RevPAR). Tourist destination, Goa has registered an occupancy of 70.1%, higher than 63.8% during the same period in the previous year. Territories like Kolkata and Chandigarh have registered occupancies in line with previous year figure. Talking about the Indian capital and financial capitals, Delhi registered an occupancy of 57.3% as against 52.3 % in Mumbai. The other metropolitan cities like Gurugram, Chennai and Bengaluru has registered occupancies of 46.3%, 48.8% and 39.2% respectively. Except for Goa, RevPARs at most destinations remained muted due to high supply with low demands.

Tourism & Hospitality - Trends and Opportunities for Growth:

The past decade saw a substantial increase in hotel rooms in India from sheer 18000 in 1995 to 27.2, 28.36, 29.53, 30.75, 32.03 and 33.34 lakhs in 2018 to 2023 expected figures . India's tourism sector was, not long ago, projected to reach US$95.3 billion by 2028. India is poised at 10th position in world in terms of nations travel & tourism sector contribution to GDP. In employment generation, India is second in the world after china. Travel and tourism industries contributed 6.8% in total economy amounting to Rs 16,681 billion and 8% of total employment in Indian economy in 2020 and generated 39,82,18,000 jobs. In 2019, the tourism sector has significantly contributed to GDP in terms of bn.$ U.S.1839, China 1585, Japan 359, Germany 347, Italy 260, UK 254, France 2291, Spain 98, Mexico 196, India 194. The total available rooms are just 3 millions as against population of 1.30 billions denoting meagre 2.31 rooms per 1000 people in India showing enormous potentials of growth in line with other peer countries across the globe. With more disposable income in hands of middle class, the spending in leisure would witness tremendous growth going forward. Once the impact of covid would be over, the bounce back is at formidable levels that would compensate the loss of business of FY 2020-21.

Our conviction still remains that with the demographic dividend of the country, the vast and widespread tourism landscape, forts and palaces, wellness retreats, wildlife sanctuaries, tea and coffee plantations, hill stations, deserts and seas, the cultural, religious and spiritual destinations which makes India a nation so rich and diverse, the opportunity for hospitality and tourism to flourish and drive employment and foster economic growth will help overcome any short and medium term impediments.

Financial and Operating Performance

The total revenue from operations of the Company for the year was recorded at Rs. 5,262.75 lakhs (of which the turnover of Rs. 1,855.37 lakhs pertains to The Orchid, Mumbai, Rs. 1,016.51 lakhs pertains to VITS Mumbai and Rs. 2,290.38 lakhs pertains to other units) as against Rs. 17,958.92 lakhs in the previous year, a decrease of around 71.21% over the last year. The Company's loss after tax is Rs. 2,757.20 lakhs as compared to profit of Rs. 3,569.59 lakhs of previous year (excluding other comprehensive income).

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. Mazers & Associates LLP, Chartered Accountants, Mumbai, 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 fore view. 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 fulfil the objectives for which they have been created.

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, 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 654 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 informationin 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.

The Board takes this opportunity to thank all employees for their unwavering commitment to guests and the organisation and for their dedication and co-operation.

ANNEXURE 'E' 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, 2021 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.

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 Companies in other Companies	Membership (including chairmanship) of Companies in other Companies	Last AGM Attended (Yes/No)
Dr. Vithal V. Kamat	Executive Chairman & Managing Director	2	0	0	Yes
Mr. Dinkar D. Jadhav*	Independent Non Executive Director	0	0	0	Yes
Mr. Ramnath P. Sarang	Independent Non Executive Director	0	0	0	Yes
Mrs. Harinder Pal Kaur	Independent Non Executive Director	0	0	0	No
Mr. Sanjeev Rajgarhia**	Non Independent Non Executive Director	0	0	0	Yes
Ms. Vidita V. Kamat***	Non Independent Non Executive Director	0	0	0	N.A.
Mr. Vilas Ramchandra Koranne****	Independent Non Executive Director	N.A.	0	0	N.A.

*Deceased on 19th February, 2021

** Appointed 28th August, 2020

*** Appointed 29th September, 2020

**** Appointed on 29th June, 2021

Notes:

1. 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.
2. 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.
3. 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.
4. 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 seven times which is in conformity with the statutory requirement.

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
15th May, 2020	5
30th July, 2020	5
28th August, 2020	5
14th September, 2020	6
29th September, 2020	6
11th November, 2020	6
8th February, 2021	6

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 scheduled 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 viz. 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 share holders 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 inter relationship between Directors, except Ms. Vidita V. Kamat who is daughter of Dr. Vithal V. Kamat.

2. **FAMILIARISATION PROGRAMMES FOR INDEPENDENT DIRECTORS:**

The Company constantly endeavours 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. Ramnath P. Sarang, Non- Executive Independent Director.

Mr. Dinkar D. Jadhav: Non- Executive Independent Director (deceased on 19th February, 2021)

Mr. Ramnath P. Sarang: Non- Executive Independent Director

Mrs. Harinder Pal Kaur: Non- Executive Independent Director

Mr. Sanjeev B. Rajgarhia Non- Executive Non Independent Director (appointed on 28th August, 2020)

Mr. Vilas Ramchandra Koranne- Non- Executive Non Independent Director (appointed on June 29, 2021)

Out of 5 members 4 members of the Audit Committee are independent directors. 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 30th July, 2020, 14th September, 2020, 11th November, 2020 and 6th February, 2021.

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

Sr. No.	Name of the Member	Category	Meetings attended
1	Mr. Dinkar D. Jadhav (1)	Chairman	4
2	Mr. Bipinchandra C. Kamdar(2)	Member	2
3	Mr. Ramnath P. Sarang (3)	Member	4
4	Mrs. Harinder Pal Kaur	Member	4
5	Mr. Sanjeev B. Rajgarhia (4)	Member	3
6	Mr. Vilas Ramchandra Koranne(5)	Member	N.A.

(1) Deceased on 19th February, 2021

(2) Retired on 29th September, 2020

(3) Appointed Audit Committee Chairman on 8th February, 2021

(4) Appointed on 28th August, 2020

(5) Appointed on 29th June, 2021

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 and Chief Financial Officer attend the meetings of the Audit Committee upon invitation.

Mr. Dinkar D. Jadhav, Chairman of Audit Committee was present at the 33rd 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. Ramnath P. Sarang, Non Executive Independent Director.

The other Members of Nomination and Remuneration Committee comprises:

Mr. Dinkar D. Jadhav :Non- Executive Independent Director (deceased on 19th February, 2021)

Mr. Ramnath P. Sarang: Non- Executive Independent Director

Mrs. Harinder Pal Kaur: Non- Executive Independent Director

Mr. Sanjeev B. Rajgarhia: Non- Executive Non Independent Director (appointed on 28th August, 2020)

Ms. Vidita V. Kamat :Non- Executive Non Independent Director (appointed on 29th September, 2020)

Mr. Vilas Ramchandra Koranne- Non- Executive Non Independent Director (appointed on 29th June, 2021)

Out of 6 members 4 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 15th May, 2020 , 30th July, 2020, 28th August, 2020, 29th September, 2020 and 8th February, 2021

Attendance of the Committee members at its meetings are as follows

Sr. No.	Name of the Member	Category	Meetings attended
1	Mr. Dinkar D. Jadhav (1)	Chairman	5
2	Mr. Bipinchandra C. Kamdar(2)	Member	3
3	Mr. Ramnath P. Sarang (3)	Member	5
4	Mrs. Harinder Pal Kaur	Member	5
5	Mr. Sanjeev B. Rajgarhia (4)	Member	3
6	Mr. Vilas Ramchandra Koranne (5)	Member	N.A.

(1) Deceased on 19th February, 2021

(2) Retired on 29th September, 2020

(3) Appointed as Nomination and Remuneration Committee Chairman on 8th February, 2021

(4) Appointed on 28th August, 2020

(5) Appointed on 29th June, 2021

c) STAKEHOLDERS RELATIONSHIP COMMITTEE

The Company has through its Board of Directors, constituted a Stakeholders Relationship Committee comprising of four Directors.

The present Chairman of the Committee is Mr. Ramnath P. Sarang, Non- Executive Independent Director.

The other Member of Stakeholders Relationship Committee comprises:

a) Mr. Sanjeev B. Rajgarhia, Non- Executive Non Independent Director

b) Ms. Vidita V. Kamat– Non-Executive Non Independent Director

c) Mr. Vilas Ramchandra Koranne- Non-Executive Independent Director

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 31stMarch, 2021. No request for transfer and dematerialization were pending for approval as on 31stMarch, 2021.

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 30th July, 2020. Attendance of the Committee members at its meetings are as follows:

Sr. No.	Name of the Member	Category	Meetings attended
1	Mr. Dinkar D. Jadhav (1)	Chairman	1
2	Mr. Bipinchandra C. Kamdar(2)	Member	1
3	Mr. Ramnath P. Sarang (3)	Member	1
4	Mr. Sanjeev B. Rajgarhia (4)	Member	0
5	Mr. Vilas Ramchandra Koranne (5)	Member	N.A.

(1) Deceased on 19th February, 2021

(2) Retired on 29th September, 2020

(3) Appointed as Stakeholders Relationship Committee Chairman on 8th February, 2021

(4) Appointed on 28th August, 2020

(5) Appointed on 29th June, 2021

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 30th July, 2020 during the financial year 2020-21.

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

Sr. No.	Name of the Member	Category	Meetings attended
1	Mr. Dinkar D. Jadhav (1)	Chairman	1
2	Mr. Bipinchandra C. Kamdar(2)	Member	1
3	Mr. Ramnath P. Sarang (3)	Member	1
4	Mrs. Harinder Pal Kaur	Member	1
5	Mr. Sanjeev B. Rajgarhia (4)	Member	0
6	Mr. Vilas Ramchandra Koranne (5)	Member	N.A.

(1) Deceased on 19th February, 2021

(2) Retired on 29th September, 2020

(3) Appointed as Corporate Social Responsibility Committee Chairman on 8th February, 2021

(4) Appointed on 28th August, 2020

(5) Appointed on 29th June, 2021

The Company Secretary act as secretary of the CSR Committee

MEETING OF INDEPENDENT DIRECTORS

The Company's Independent Directors met once during the financial year 2020-21 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 criteria for evaluation of the performance of the Directors including Independent Directors. The said criteria provides certain parameters like attendance, acquaintance with business, communicate interse boardmembers, 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 2020-21 :

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 and designation	Salary (Rs)	Perquisites(including club fees)	Tenure/Notices period/Severance fees
Dr. Vithal V. Kamat	-	-	Tenure : 1st October, 2019 to 30th September, 2022

- No payment of commission to the Executive and Non-Executive Directors was made for the period from 1st April, 2020 to 31st March, 2021.
- 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.

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	1,50,000	NIL
Mr. Ramnath P. Sarang	1,50,000	NIL
Mr. Harinder Pal Kaur	1,50,000	11,600
Mr. Sanjeev B. Rajgarhia	1,00,000	NIL
Ms. Vidita V. Kamat	50,000	500
Total	6,00,000	

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, 2020 to 31st March, 2021.

6. **FEE TO STATUTORY AUDITORS**

Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which statutory auditor is a part during the financial year ended 31st March, 2021 is given in the financial section.

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

Particulars	**FY 2017-18 AGM**	**FY 2018-19 AGM**	**FY 2019-20 AGM**
Date	26th September, 2018	18th September, 2019	29th September, 2020
Location	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.	Through Video Conferencing (VC)
Time	11.30 a.m.	11.30 a.m.	11.00 a.m.

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 17 (1A) of SEBI (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 who is 88 years, for the remaining period of his existing term of Directorship

One Special Resolution was passed at the Annual General Meeting held on 18th September, 2019.

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 2019 to 30th September, 2022.

No Special Resolutions were passed at the Annual General Meeting held on 29th September, 2020.

Postal Ballot

On 30th July, 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.

8. **SUBSIDIARY COMPANIES:**

Mr. Dinkar D. Jadhav, deceased on 19th February, 2021. Mr. Vilas Ramchandra Koranne 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 June 29, 2021.

Mr. Vilas Ramchandra Koranne, 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.

1. Financial statements, in particular investments made by subsidiary companies, are reviewed quarterly by the Company's Audit Committee.
2. Minutes of Board meetings of subsidiary companies are placed before the Company's Board regularly.
3. 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

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 F".***

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 Regulation 76 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, 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. 1st 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: September 28, 2021 at 11.30 a.m. (OAVM) through "Video Conferencing (VC) or other Audio Visual Means.

c. Tentative Financial Calendar

Audited Annual Accounts for the year 2020-21	June, 2021
Unaudited First quarter Results (30th June, 2021)	Second week of August, 2021
Annual General Meeting	Before 30th September, 2021
Unaudited 2nd Quarter Results (30th September, 2021)	Second week of November, 2021
Unaudited 3rd Quarter Results (31st December, 2021)	Second week of February, 2022
For the year ending 31st March, 2022	Before 30th May, 2022

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

d. Dates of book closure: from Tuesday, 23rd September, 2021 to Tuesday, 28th September, 2021

e. Dividend payment date for Dividend 2020-21: -N.A.

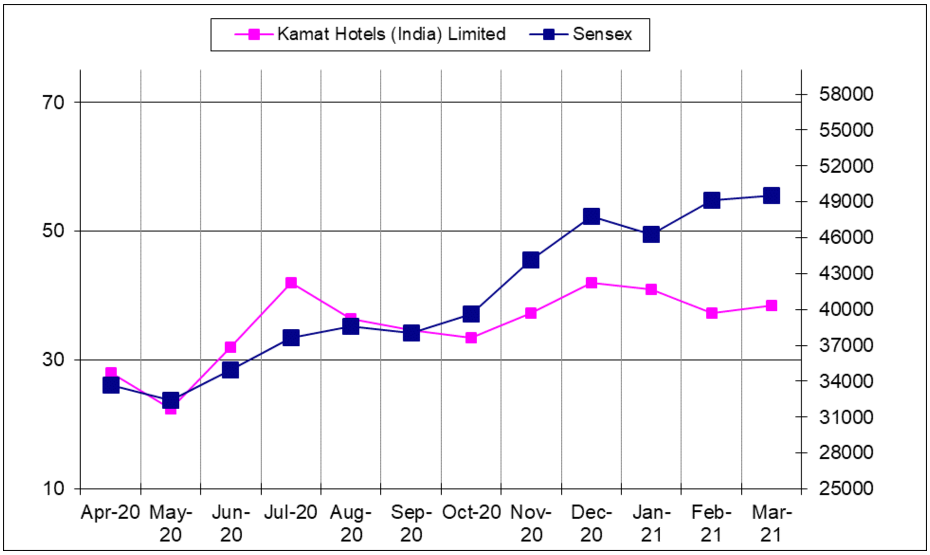
f. Listing of Equity Shares on Stock Exchanges and Market Price Data Name of the Stock Exchange(s) Stock Code/Symbol Bombay Stock Exchange Limited: 526668 at Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 and National Stock Exchange of India Limited: KAMATHOTEL at Exchange Plaza, C-1, Block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

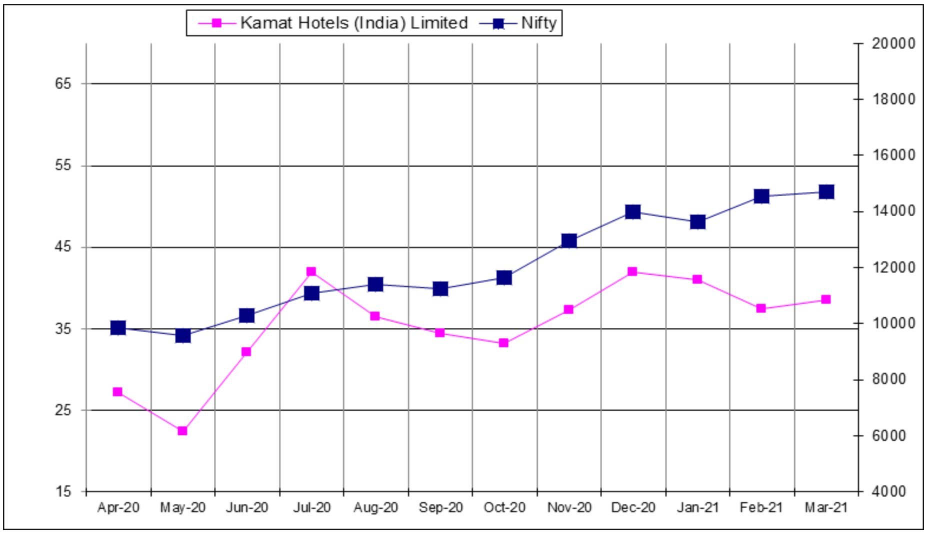
g. The Company has paid listing fee to all the Stock Exchanges for the financial year 2021-22.

h. Stock Market Price Data

Month	**Bombay Stock Exchange Limited**			**National Stock Exchange of India Limited**		
	High	Low	Monthly volume	**High**	Low	Monthly volume
April-20	28	15.90	1,15,837	27.25	15.90	9,01,839
May-20	22.40	18.30	1,35,961	22.40	17.65	8,86,907
June-20	32	22.40	4,35,891	32.15	22.50	49,66,959
July-20	42	27	10,10,950	42	26.75	1,13,16,902
August-20	36.45	29.30	3,86,911	36.50	29.65	50,32,449
Sept-20	34.60	26.90	1,81,556	34.45	26.75	14,89,971
Oct-20	33.50	28.50	1,22,416	33.25	28.75	13,00,295
Nov-20	37.25	29.30	3,13,776	37.30	29.30	33,01,304
Dec-21	42	32	6,42,789	41.95	33.10	54,83,071
Jan-21	41	32.75	2,53,123	40.95	33.05	17,86,249
Feb-21	37.25	33.25	68,172	37.50	33	7,10,867
March-21	38.50	28.90	1,36,686	38.50	29.15	19,28,155

I. Charts:





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. 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 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, 2021.

Shareholding of Nominal Shares (INR)			Number Of Shareholders	Percentage of Total	Total Shares	% of total of Share
1	to	5,000	14,543	86.07	19,37,522	8.22
5,001	to	10,000	1,165	6.9	9,56,241	4.05
10,001	to	20,000	589	3.47	9,19,110	3.90
20,001	to	30,000	210	1.25	5,27,597	2.24
30,001	to	40,000	87	0.51	3,17,301	1.35
40,001	to	50,000	88	0.53	4,15,102	1.76
50,001	to	1,00,000	111	0.66	8,32,711	3.53
1,00,001 & above			103	0.61	1,76,78,474	74.95
Total			16,896	100.00	2,35,84,058	100

Category of Shareholders as on 31st March, 2021.

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)	11,600	0.05
Mutual Fund	1,000	0.00
Public:		
Corporate Bodies	4,99,113	2.12
Individual and other	87,10,385	36.93
Total	2,35,84,058	100

p. Dematerialisation of Shares:

As on 31st March, 2021, 2,32,96,347 equity shares (98.78% of total equity capital) were held in dematerialised form. The relative ISIN 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

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

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

Place: Mumbai
Date: 29th June, 2021

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, 2021 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 2020-21.

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

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

Place: Mumbai
Date: 29th June, 2021

CERTIFICATE OF PRACTICING COMPANY SECRETARY REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

(Pursuant to para E of Schedule V of the SEBI (LODR) Regulations, 2015)

The Members of
Kamat Hotels (India) Ltd.
Mumbai

We have examined the compliance of conditions of Corporate Governance by Kamat Hotels (India) Limited ('the Company'), for the year ended on March 31 2021, 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 the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI (LODR) Regulations, 2015).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of an 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 and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in SEBI (LODR) Regulations, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of 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
Membership No.F 3382
COP 1705

Date: 29th June, 2021
Place: Mumbai
UDIN F003382C000829108

KAMAT HOTELS (INDIA) LIMITED

ANNEXURE "F" 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, 2021.

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, 2021 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 and on behalf of Board of Directors
of KAMAT HOTELS (INDIA) LIMITED

SMITA NANDA
CHIEF FINANCIAL OFFICER

Dr. VITHAL V. KAMAT
(DIN 00195341)
Executive Chairman & Managing Director

Place: Mumbai
Date: 29th June, 2021

KAMAT HOTELS (INDIA) LIMITED

CERTIFICATE OF PRACTICING COMPANY SECRETARY

(Pursuant to Schedule V(C)(10)(i) of the SEBI (LODR) Regulations, 2015)

To
The Members of
Kamat Hotels (India) Ltd.

We, V.V. Chakradeo & Co., Practicing Company Secretaries, have examined the Company and Registrar of Companies records, books and papers of Kamat Hotels (India) Ltd. (CIN: L55101MH1986PLC039307) having its Registered Office at 70-C, Nehru Road, Near Santacruz Airport, Vile Parle (East), Mumbai - 400 099, India (the Company) as required to be maintained under the Companies Act, 2013, SEBI Regulations, other applicable rules and regulations made thereunder for the financial year ended on March 31, 2021.

In our opinion and to the best of our information and according to the examinations carried out by us and explanations and representation furnished to us by the Company, its officers and agents, we certify that none of the following Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority as on March 31, 2021:

Sr. No.	Name of the Director	Designation	DIN
1	Dr. Vithal V. Kamat	Executive Chairman and Managing Director	00195341
2	Mr. Dinkar D. Jadhav -Deceased on 19th February, 2021	Independent Director	01809881
3	Mr. Ramnath P. Sarang	Independent Director	02544807
4	Mrs. Harinder Pal Kaur (Appointed on 15th May, 2020)	Independent Director	02306410
5	Mr. Sanjeev Badriprasad Rajgarhia (Appointed on 28th August, 2020)	Non Executive Director	02306410
6	Ms. Vidita V. Kamat (Appointed on 29th September, 2020)	Non Executive Director	03043066
7	Mr. Vilas Ramchandra Koranne (Appointed on 29th June, 2021)	(Additional Director) Independent Director	09151665

For V. V. Chakradeo & Co.,
Company Secretaries

V. V. Chakradeo
Membership No.F 3382
COP 1705

Place: Mumbai
Date: 29th June, 2021
UDIN: F003382C000537621

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 standalone balance sheet as at 31st March 2021, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the 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, of the state of affairs of the Company as at 31st March 2021, and loss and other comprehensive income, 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 made 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 55 of the standalone financial statements. Company's accumulated losses are in excess of its paid up capital and reserves as at 31st March 2021 and its current liabilities are significantly greater than the current assets as on 31st March 2021 and 31st March 2020. Further, in respect of loans, there are non-payment of stipulated instalments comprising of principal and interest. In the opinion of the management, considering management's action to mitigate the impact of COVID-19 as described in note 56 of the standalone financial statements which is also demonstrated through positive earning before interest, taxes and depreciation (EBITDA), restructuring which are approved by the lenders and management's request for seeking extension of the loan dues as stated in note 27.4(d) of the standalone financial statements (also refer para (a) in emphasis of matter paragraph below), the future business prospects from prime hotel properties situated nearby domestic and international airports in Mumbai, the fact that the fair values of the assets of the Company are significantly higher than the borrowings/debts and that the Company has been exploring possibilities to divest/liquidate some of its properties, these standalone financial statements 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.

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 auditor's report for financial year 2019-2020 dated 30th July 2020 and financial year 2018-2019 dated 27th May 2019 and our opinion was not modified in the previous years also.

Emphasis of matter

(a) Attention is invited to note 27.4(d) of the standalone financial statements. As on 31st March 2021, there are non-payment of stipulated instalments comprising of principal and interest due to the lenders. The cumulative unpaid instalments amounts to Rs. 9,679.96 lakhs. Considering COVID-19 pandemic, the Company had sent signed letters by e-mails in the month of March 2020 and June 2020 to various lenders (except Kotak Bank) and had sent an e-mail in September 2020 to Kotak Bank for extension of the dues upto December 2020. In-principle approval was received in writing from one of the lenders for extension of three EMI's amounting to Rs. 143 lakhs each. In respect of further restructuring proposals submitted by the Company with certain lenders, in-principal approval was received in writing from two lenders and the Kotak Bank restructured the outstanding loan whereby it sanctioned Funded Interest Term Loan (FITL) and additional finance by way of Working Capital Term Loan (WCTL) of Rs. 360 lakhs under Emergency Credit Line Guarantee Scheme 2.0. The Company has executed necessary loan documents with Kotak Bank after the close of the financial year. In respect of balance three lenders, though written confirmation from lenders are awaited, all lenders have verbally agreed for the extension whenever sought. In the absence of written communication from the lenders approving the extension, we are unable to validate the extension granted to the Company by the lenders. In view of the above, in the opinion of the management, event of default is not triggered and therefore, there is no other accounting implications and reclassification of non-current borrowings to current liabilities is not required as at 31st March 2021. Impact if any, will be considered in the period in which the Company and the lenders agree on the revised terms.

(b) Reference is invited to note 56 of the standalone financial statements, in respect of the possible effect of uncertainties relating to COVID-19 pandemic on the Company's financial performance as assessed by the management.

Our opinion is not modified in respect of above matters. In respect of above matters, we had also reported the emphasis of matter in independent auditor's report for financial year 2019-2020 dated 30th July 2020 and financial year 2018-2019 dated 27th May 2019 and our opinion was not modified in the previous years also.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone 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 'Material Uncertainty Related to Going Concern' and 'Emphasis of matter' paragraph 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 Refer note 2.5(x) and note 10.1 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. The subsidiary and joint venture have been incurring losses. Net-worth of subsidiary company is fully eroded. Assessment of obligation towards the corporate guarantee and consequential recoverability has been identified as a key audit matter due to: - Significance of the carrying amount of balances. - The assessment requires management to make significant estimates concerning the estimated future cash flows, qualitative assessments of the viability of the business carried out by the subsidiary and joint venture including any possible impact arising out of the COVID-19 pandemic on these estimates. - Changes to any of these assumptions could lead to material changes in the estimated obligation and recoverable amounts.	This matter is discussed with the management We have relied on the explanations given by the management that - with respect to wholly owned subsidiary company, in view of the financial condition of the Company, based on settlement arrangement between the subsidiary, lender and holding company, the modalities of which are being worked out, in view of the management estimate, no liability would arise on the Company on 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 out of its own operations. We assessed the conclusions reached by management and those charged with governance on account of various estimates and judgements including possible impact of COVID-19 pandemic as well as the disclosures made in the financial statements as per Ind AS 109 Financial Instruments.

Other matters

Due to COVID-19 outbreak and related lockdown in various states where the properties of the Company are located, we could not be present at such properties during the physical verification of inventories carried out by the management. We have relied on the same and performed alternate procedures to audit the existence of inventory as at year end.

Our opinion is not modified in respect of the above matter.

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, 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.

Management's Responsibilities 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, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the 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 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 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows 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 Ind AS prescribed under section 133 of the Act read with relevant Rules made thereunder.

e) The matter described in 'Material uncertainty related to going concern' and matters described in para (a) and (b) in 'Emphasis of matter 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 2021 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2021, 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

h) With respect to other matters to be includes in the Auditors Report in accordance with the requirements of section 197(16) of the Act, as amended:

   Further to note 47.3(c) of the standalone financial statements and considering the subsequent recovery of excess remuneration, the Company has complied with the requirements of managerial remuneration as prescribed in 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 15.1 and 45.3(i) of the standalone 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
UDIN: 21037381AAAACT4109

Place: Mumbai
Date: 29th June 2021

Annexure A to the Independent Auditor's Report for the year ended 31st March 2021

[Referred to in paragraph 2(f) 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 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 Executive Chairman and Managing Director of the Company. In respect of title deeds which are deposited with lenders, we have verified the title from photocopies of those agreements and we have relied on certificate provided by the trustees/lenders.

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 except the lease agreement of property located in Konark, India having gross block of Rs. Nil lakhs is expired and we are informed that the application made for its renewal is pending for final approval from the government authorities.

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 had granted unsecured loan to companies, covered in the register maintained under section 189 of the Act in earlier years. 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) (Also refer note 10.1) 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 had been classified by the Company as doubtful of recovery and provision had been made in the accounts in earlier years. In our opinion, in view of the above, and as reported earlier, 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 due. 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, 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 minor delays in payment of professional tax, Maharashtra Value Added Tax (MVAT) and significant delays in tax deducted at source and Goods and Services Tax (GST). According to the information and explanation given to us and based on our examination, there are no undisputed amounts payable in respect of statutory dues outstanding for more than six months from the date they become payable except interest on GST amounting to Rs. 23.94 lakhs which is provided by the Company on estimated basis on excess utilization of input tax credit.

(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	CESTAT, West Zonal Bench – Mumbai
	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
Income-tax Act, 1961	Income Tax	214.74	2012-13	Commissioner of Income Tax – Appeal
	Income Tax	5,453.27	2016-17	Commissioner of Income Tax – Appeal

* Net of amount paid under protest of Rs. 22.22 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 (before considering the restructuring / extensions) 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)	1,120.00	1 to 398 Days	Principal
		352.77	1 to 398 Days	Interest
2	Asset Reconstruction Company Enterprise Limited (Assigned by Andhra Bank)	2200.72	1 to 457 Days	Principal
		434.28	1 to 457 Days	Interest
3	India SME Asset Reconstruction Company Limited (Assigned by Dena Bank)	263.50	1 to 366 Days	Principal
4	Edelweiss Asset Reconstruction Limited (Assigned by Larsen & Toubro Infrastructure Finance Company Limited)	809.00	1 to 366 Days	Principal
5	Asset Reconstruction Company Enterprise Limited (Assigned by State Bank of India)	1483.28	1 to 457 Days	Principal
		1866.72	1 to 457 Days	Interest
6	India SME Asset Reconstruction Company Limited (Assigned by Syndicate Bank)	451.50	1 to 366 Days	Principal
7	Asset Reconstruction Company Enterprise Limited (Assigned by Tourism Finance Corporation of India)	262.81	1 to 457 Days	Principal
		487.19	1 to 457 Days	Interest
8	Invent Assets Securitization & Reconstruction Private Limited (Assigned by Vijaya Bank)	85.00	1 to 412 Days	Principal
9	Kotak Mahindra Bank	240.43	12 to 193 Days	Principal
		140.32	12 to 132 Days	Interest
		19.56	12 Days	Interest

Notes:

(**) The Company has requested all the lenders in the previous year for the extension of the dues considering the impact on account of COVID-19. Refer para (a) in emphasis of matters section above.

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

ix. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). According to the information and explanation given to us, the monies raised by way of term loans have been applied, on an overall basis, for the purpose for which they are obtained.

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 and as stated in note 47.3(c) of the standalone financial statements and considering the subsequent recovery of excess remuneration, the Company has complied with the requirements of managerial remuneration as prescribed in section 197 read with schedule V of 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 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 47 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
UDIN: 21037381AAAACT4109

Place: Mumbai
Date: 29th June 2021

Annexure B to the Independent Auditor’s Report for the year ended 31st March 2021

[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 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Operating effectiveness of processes Information Technology and General Controls, Direct and Indirect Taxation, Book Closure, Treasury and Property, Plant & Equipment’s for current year have been tested and complied by the internal auditors based on discussion with concerned process owners, past experience and verification of details, wherever possible. Due to the pandemic situation and limited access, auditors were unable to conduct full-fledged review. In this respect, we have performed alternate procedures for the purpose of our assertions and opinion.

In our opinion, read with our comments above, to the best of our information and according to the explanations given to us, 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 2021, 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.

Management’s Responsibility for Internal Financial Controls

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 (the “Guidance Note”) issued by the Institute of Chartered Accountants of India. 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 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
UDIN: 21037381AAAACT4109

Place: Mumbai
Date: 29th June 2021

KAMAT HOTELS (INDIA) LIMITED

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2021

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

	Particulars	Note no.	As at 31st March 2021	As at 31st March 2020
	ASSETS			
A	**Non-current assets**			
	a) Property, plant and equipment	5	25,129.25	26,045.98
	b) Capital work-in-progress	6	617.65	521.22
	c) Right of use assets	7	420.25	434.55
	d) Investment property	8	1,016.28	1,058.19
	e) Other intangible assets	9	75.42	77.22
	f) Financial assets			
	i) Investments in subsidiaries & joint venture	10	4.00	4.00
	ii) Investments	11	19.66	15.32
	iii) Loans	12	2,057.79	1,955.56
	iv) Other financial assets	13	5.51	6.52
	g) Income tax assets (net)	14	1,015.91	940.34
	h) Other non current assets	15	3,497.36	3,658.06
	(A)		**33,859.08**	**34,716.96**
	Current assets			
	a) Inventories	16	156.77	258.47
	b) Financial assets			
	i) Investments	17	5.28	3.81
	ii) Trade receivables	18	607.55	987.12
	iii) Cash and bank balances			
	- Cash and cash equivalents	19	659.19	252.82
	- Other bank balances	20	57.68	67.86
	iv) Loans	21	71.95	13.52
	v) Other financial assets	22	22.90	20.53
	c) Income tax assets (net)	23	-	231.52
	d) Other current assets	24	398.30	425.15
	(B)		**1,979.62**	**2,260.80**
	TOTAL (A + B)		**35,838.70**	**36,977.76**
	EQUITY AND LIABILITIES			
	Equity			
	a) Equity share capital	25	2,417.26	2,417.26
	b) Other equity	26	(4,293.24)	(1,570.19)
	(A)		**(1,875.98)**	**847.07**
	Liabilities			
	Non-current liabilities			
	a) Financial liabilities			
	i) Borrowings	27	4,480.79	18,684.68
	ii) Lease liabilities	28	100.21	96.52
	iii) Other financial liabilities	29	107.96	119.86
	b) Provisions	30	388.23	423.05
	c) Deferred tax liabilities (net)	31	1,370.07	2,327.18
	d) Other non-current liabilities	32	378.84	453.32
	(B)		**6,826.10**	**22,104.61**
	Current liabilities			
	a) Financial liabilities			
	i) Trade payables	33		
	- Amount due to Micro and small enterprises		330.59	292.46
	- Amount due to other than Micro and small enterprises		1,938.82	2,236.78
	ii) Lease liabilities	34	14.11	16.57
	iii) Other financial liabilities	35	26,961.48	9,350.99
	b) Provisions	36	102.09	136.91
	c) Other current liabilities	37	1,541.49	1,992.37
	(C)		**30,888.58**	**14,026.08**
	TOTAL (A+B+C)		**35,838.70**	**36,977.76**
	Significant accounting policies and notes to financial statements	**1 to 60**		

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: 29th June, 2021

For and on behalf of the Board of Directors

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

Ramnath P. Sarang
Director
(DIN : 02544807)

Smita Nanda
Chief Financial Officer

Hemal Sagalia
Company Secretary

Place: Mumbai
Date: 29th June, 2021

KAMAT HOTELS (INDIA) LIMITED

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

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

	Particulars	Note no.	Year ended 31st March 2021	Year ended 31st March 2020
A	**Income**			
	Revenue from operations	38	5,162.26	17,868.93
	Other income	39	100.49	89.99
	Total income (A)		**5,262.75**	**17,958.92**
B	**Expenses**			
	Consumption of food and beverages	40	508.82	1,636.02
	Employee benefits expense	41	1,191.44	4,455.41
	Finance costs	42	3,890.77	3,436.40
	Depreciation and amortisation expense	5, 7, 8 & 9	1,000.86	1,051.70
	Other expenses	43	2,758.79	6,155.18
	Total expenses (B)		**9,350.68**	**16,734.71**
C	**(Loss) / profit before exceptional items & tax (A - B) (C)**		**(4,087.93)**	**1,224.21**
	Exceptional item - Income	44	373.17	2,369.28
D	**(Loss) / profit before tax (D)**		**(3,714.76)**	**3,593.49**
E	**Tax expense:**			
	- Current tax	14	-	297.75
	- Deferred tax (credit)	31	(946.71)	(287.24)
	- (Excess) / short provision for current tax / deferred tax (net)		(10.85)	13.39
	Total tax expense (E)		**(957.56)**	**23.90**
F	**(Loss) / profit after tax (D - E) (F)**		**(2,757.20)**	**3,569.59**
G	**Other comprehensive income**			
	a) (i) Items not to be reclassified subsequently to Statement of Profit and Loss			
	- Remeasurement of defined benefit plans - gain/(loss)		45.64	13.40
	(ii) Income taxes effect on above	31	(11.49)	(3.90)
	b) (i) Items that will be reclassified subsequently to Statement of Profit and Loss		-	-
	(ii) Income taxes effect on above		-	-
	Total other comprehensive income for the year (G)		**34.15**	**9.50**
H	**Total comprehensive income for the year (F + G)**		**(2,723.05)**	**3,579.09**
	Basic and diluted earnings per share (Rs.)	49	(11.69)	15.14
	Equity shares [Face value of Rs. 10 each]			
	Significant accounting policies and notes to financial statement	**1 to 60**		

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: 29th June, 2021

For and on behalf of the Board of Directors

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

Ramnath P. Sarang
Director
(DIN : 02544807)

Smita Nanda
Chief Financial Officer

Hemal Sagalia
Company Secretary

Place: Mumbai
Date: 29th June, 2021

KAMAT HOTELS (INDIA) LIMITED

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021

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

(a) Equity share capital

Particulars	As at 31st March 2021	As at 31st March 2020
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 25)

(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, 2019	13.87	266.50	14,986.74	280.06	(20,711.27)	14.82	**(5,149.28)**
Profit for the year 2019 - 2020	-	-	-	-	3,569.59	-	**3,569.59**
Other comprehensive income/ (loss) for the year - 2019 - 2020	-	-	-	-	-	9.50	**9.50**
Balance as at 31st March 2020	**13.87**	**266.50**	**14,986.74**	**280.06**	**(17,141.68)**	**24.32**	**(1,570.19)**
(Loss) for the year - 2020 - 2021	-	-	-	-	(2,757.20)	-	**(2,757.20)**
Other comprehensive income/ (loss) for the year - 2020-2021	-	-	-	-	-	34.15	**34.15**
Balance as at 31st March 2021	**13.87**	**266.50**	**14,986.74**	**280.06**	**(19,898.88)**	**58.47**	**(4,293.24)**

(Refer note 26)

*Other comprehensive income

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: 29th June, 2021

For and on behalf of the Board of Directors

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

Ramnath P. Sarang
Director
(DIN : 02544807)

Smita Nanda
Chief Financial Officer

Hemal Sagalia
Company Secretary

Place: Mumbai
Date: 29th June, 2021

KAMAT HOTELS (INDIA) LIMITED

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2021

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

	Particulars	Year ended 31st March 2021	Year ended 31st March 2020
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	(Loss) / profit before taxes and other comprehensive income	(3,714.76)	3,593.49
	Adjustments for:		
	Finance cost	3,890.77	3,436.40
	Interest income	(23.77)	(24.39)
	Depreciation and amortization expenses	1,000.86	1,051.70
	Bad debts written off	8.65	13.71
	Provision / (reversal) for expected credit loss and doubtful debt advances	91.96	(47.87)
	(Profit) / loss on sale / discard of property, plant and equipment	(25.19)	1.13
	Rent income	(44.09)	(56.28)
	Insurance claim - (exceptional item)	(373.17)	-
	(Gain) on fair value of investments	(5.81)	(2.87)
	Reduction in liability towards long term borrowings (exceptional item)	-	(2,369.28)
	Dividend income	-	(0.43)
	Operating profit before working capital changes	**805.45**	**5,595.31**
	Movements in working capital : [Including current and non-current]		
	Decrease in loans, trade receivable and other assets	305.85	182.58
	Decrease in inventories	101.70	9.87
	Increase / (decrease) in trade payable, other liabilities and provisions	(1,502.10)	525.63
		(289.10)	**6,313.39**
	Adjustment for:		
	Direct taxes refund (net after tax deducted at source)	146.70	20.22
	Net cash generated/ (used in) from operating activities…(A)	**(142.40)**	**6,333.61**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment (Including capital work in progress and capital advances)	(140.37)	(720.31)
	Sale of property, plant and equipment	43.00	2.33
	Insurance claim received	148.17	-
	Temporary refund received of loan given to wholly owned subsidiary	660.00	1,320.00
	Repayment of temporary refund of loan given to wholly owned subsidiary	(660.00)	(1,320.00)
	Rent income received	44.09	56.28
	Interest income	21.40	18.60
	Dividend income	-	0.43
	Decrease in bank balance [current and non-current] (other than cash and cash equivalent)	11.19	9.33
		127.48	**(633.34)**
	Adjustment for:		
	Direct taxes (paid including tax deducted at source)	(1.78)	(2.44)
	Net cash (used in) / from investing activities… (B)	**125.70**	**(635.78)**

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2021

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

	Particulars	Year ended 31st March 2021	Year ended 31st March 2020
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from long term borrowings	1,020.34	-
	Repayment of long term borrowings	(255.28)	(3,210.71)
	Payment of lease liabilities (Refer note 51)	(24.66)	(24.47)
	Interest paid (Including other borrowing cost)	(112.70)	(2,414.45)
	Net cash (used in) / from financing activities… (C)	**627.70**	**(5,649.63)**
	Net increase / (decrease) in cash and cash equivalents (A+ B+C)	**610.99**	**48.20**
	Cash and cash equivalents at beginning of the year (net of book overdraft)	48.20	-
	Cash and cash equivalents at end of the year	659.19	48.20
	Net increase in cash and cash equivalents	**610.99**	**48.20**

Notes:

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

(ii) Refer note 53 for other notes in relation to statement of cash flows

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: 29th June, 2021

For and on behalf of the Board of Directors

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

Ramnath P. Sarang
Director
(DIN : 02544807)

Smita Nanda
Chief Financial Officer

Hemal Sagalia
Company Secretary

Place: Mumbai
Date: 29th June, 2021

Notes on Standalone financial statements for the year ended 31st March 2021

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. Its shares are listed and traded on the Bombay Stock Exchange and National Stock Exchange 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 registered office of the Company is located 70-C Nehru road, Near santacruz airport, Vile Parle (E) Mumbai – 400 099.

The financial statements of the Company for the year ended 31st March 2021 were approved and adopted by board of directors of the Company in their meeting held on 29th June 2021.

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.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.2. Basis of preparation and presentation

These standalone financial statements have been prepared on the historical cost convention and on accrual basis except for the following assets and liabilities which have been measured at fair value:

i. Certain financial assets and liabilities (including derivative instruments);

ii. Defined benefit plans – plan assets;

The financial statements are in accordance with Division II of Schedule III to the Act, as applicable to the Company.

2.3. 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.

2.4. 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 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".

2.5. 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 history and 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 Programme based 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 as at 31st March 2021 and its current liabilities are significantly greater than the current assets as on 31st March 2021 and 31st March 2020. Further, in respect of loans, there are non-payment of stipulated instalments comprising of principal and interest amounting to Rs. 9,679.96 lakhs as on 31st March 2021 In the opinion of the management, considering management's action to mitigate the impact of COVID-19 as described in note 56 of the Statement which is also demonstrated through positive earning before interest, taxes and depreciation (EBITDA), restructuring which are approved by the lenders and management's request for seeking extension of the loan dues as stated in note 27.4(d), the future business prospects from prime hotel properties situated nearby domestic and international airports in Mumbai, the fact that the fair values of the assets of the Company are significantly higher than the borrowings/debts and that the Company has been exploring possibilities to divest/liquidate some of its properties, these standalone financial statements 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.

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, based on settlement arrangement entered by the subsidiary with the lender and ongoing discussion with the lenders of the subsidiary, in view of the management estimate, no liability would arise on the Company on 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 58(e)].

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 (Tangible Assets) 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 lives are 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.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under "Other non-current assets". 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.

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 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

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 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.

(ix) 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 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 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 benefit and 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 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

Where the Company is lessee

The Company has applied Ind AS 116 - “Leases” from 1st April, 2019 using the modified retrospective approach.

Right-of use assets were measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the standalone balance sheet as at 31st March, 2019.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprise of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date net of lease incentive received, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company’s incremental borrowing rate. The lease liability is measured at amortised cost using the effective interest method.

Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

Where the Company is the lessor

At the inception of the lease, the Company classifies each of its leases as either a finance lease or an operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

The Company has given certain properties on lease where it has substantially retained the risks and rewards of ownership and hence these are classified as operating leases. These assets given on operating lease are included in PPE. Lease income is recognized in the Statement of profit and loss as per contractual rental unless another systematic basis is more representative of the time pattern in which the benefit derived from the leased asset is diminished. Costs including depreciation are recognized as an expense in the Statement of profit and loss. Initial direct costs are recognized immediately in Statement of profit and loss.

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. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

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.

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. 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 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. Non-Current assets held for sale and discontinued operations

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits and financial assets which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

Non-current assets and liabilities classified as held for sale are presented separately from the other assets and liabilities in the balance sheet.

3.18. 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.

3.19. 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.

3.19.1.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 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 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 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 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 recognised on the basis of the relative fair values of those parts.

3.19.2.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 standard issued and existing standards modified

a. The Ministry of Corporate Affairs (MCA) has notified amendments to 22 Ind ASs vide notification dated 18th June 2021 applicable from immediate effect.

(a) Ind AS 116 Leases

(b) Ind AS 109 Financial Instruments

(c) Ind AS 101 Presentation of Financial Statements

(d) Ind AS 102 Share-Based Payment

(e) Ind AS 103 Business Combinations

(f) Ind AS 104 Insurance Contracts

(g) Ind AS 105 Non-current assets held for sale and discontinued operations

(h) Ind AS 106 Exploration for and evaluation of mineral resources

(i) Ind AS 107 Financial Instruments: Disclosure

(j) Ind AS 111 Joint Arrangements

(k) Ind AS 114 Regulatory Deferral Accounts

(l) Ind AS 115 Revenue from Contracts with Customers

(m) Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors

(n) Ind AS 16 Property, Plant and Equipment

(o) Ind AS 34 Interim Financial Reporting

(p) Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets

(q) Ind AS 38 Intangible Assets

Key highlights of the amendments are as follows:

- Amendment with respect to interest rate benchmark reforms have been made in Ind AS 107, Ind AS 109, Ind AS 104 and Ind AS 116 etc.
- Lessees now permitted to apply the practical expedient to rent concessions w.r.t. reduced lease payments which are due on or before 30th June 2022 (earlier it was till 30 June 2021).
- The bare text of standards has been aligned with 'the Conceptual Framework of Financial reporting under Ind ASs, issued by the ICAI'.

The Company is in process of evaluating the impact of amendment's in above Ind ASs. The amendments in Ind ASs (Ind AS 1, Ind 12, Ind AS 27, Ind AS 28 and Ind AS 40) are minor corrections having no consequential impact.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

5	Property, plant and equipment	Freehold Land	Leasehold Land (Refer Note 5.3)	Building	Leasehold Improvements (Refer note 5.2)	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Total
	Gross carrying value as at 1st April, 2019	**2,561.08**	**361.82**	**6,511.36**	**18,704.81**	**2,040.92**	**241.88**	**29.41**	**75.19**	**30,526.47**
	Additions during the year 2019-20	-	-	3.94	13.79	128.90	44.43	8.71	12.40	212.17
	Deletions during the year 2019-20	-	-	-	58.05	17.47	4.86	1.67	1.26	83.31
	Reclassified on account of adoption of Ind AS 116 (refer note 5.3)	-	361.82	-	-	-	-	-	-	361.82
	Balance as at 31st March 2020	2,561.08	-	6,515.30	18,660.55	2,152.35	281.45	36.45	86.33	30,293.51
	Additions during the year 2020-21	-	-	-	0.60	15.27	16.57	-	1.54	33.98
	Deletions during the year 2020-21	-	-	-	-	0.03	0.86	-	0.18	1.07
	Balance as at 31st March 2021	**2,561.08**	**-**	**6,515.30**	**18,661.15**	**2,167.59**	**297.16**	**36.45**	**87.69**	**30,326.42**
	Accumulated depreciation									
	Balance as at 1st April, 2019	**-**	**25.54**	**418.40**	**2,019.21**	**719.41**	**120.48**	**9.44**	**38.31**	**3,350.79**
	Additions during the year 2019-20	-	-	132.32	636.85	192.76	19.95	4.35	15.90	1,002.13
	Deletions during the year 2019-20	-	-	-	68.71	5.29	4.43	0.48	0.93	79.84
	Reclassified on account of adoption of Ind AS 116 (refer note 5.3)	-	25.54	-	-	-	-	-	-	25.54
	Balance as at 31st March 2020	**-**	**-**	**550.72**	**2,587.35**	**906.88**	**136.00**	**13.31**	**53.28**	**4,247.54**
	Additions during the year 2020-21	-	-	130.76	614.87	164.50	21.91	4.73	13.81	950.58
	Deletions during the year 2020-21	-	-	-	-	0.02	0.78	-	0.15	0.95
	Balance as at 31st March 2021	**-**	**-**	**681.48**	**3,202.22**	**1,071.36**	**157.13**	**18.04**	**66.94**	**5,197.17**
	Net carrying amount.									
	Balance as at 31st March, 2021	**2,561.08**	**-**	**5,833.82**	**15,458.93**	**1,096.23**	**140.03**	**18.41**	**20.75**	**25,129.25**
	Balance as at 31st March, 2020	2,561.08	-	5,964.58	16,073.20	1,245.47	145.45	23.14	33.05	26,045.98

Notes:

5.1 For details of assets given as security, refer note 27.1 .

5.2 The leasehold improvements are constructed on land taken under operating lease.

5.3 The deletions in gross carrying value and accumulated depreciation of leasehold land is on account of re-classification under Right of use assets w.e.f. 1st April, 2019 (Refer Note 7).

5.4 The amount of capital commitment disclosed in note 45.1(a)

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

6	**Capital work in progress**	**As at 31st March 2021**	**As at 31st March 2020**
	Opening balance	521.22	27.34
	Add: Additions during the year	154.52	723.76
	Less: Capitalised during the year	58.09	229.88
	Closing balance	**617.65**	**521.22**

6.1 Capital work-in-progress includes Rs. 596.95 Lakhs (Previous Year Rs. 481.85 Lakhs) on account of cost of construction

7	**Right of use assets**	**Land & building**	**Total**
	Goss carrying value as at 1st April, 2019	**-**	**-**
	Additions during the year 2019-20	112.61	112.61
	Reclassified on account of adoption of Ind AS 116	336.28	336.28
	Deletions during the year 2019-20	-	-
	Balance as at 31st March, 2020	**448.89**	**448.89**
	Additions during the year 2020-21	-	-
	Deletions during the year 2020-21	-	-
	Balance as at 31st March, 2021	**448.89**	**448.89**
	Accumulated depreciation		
	Balance as at 1st April, 2019	**-**	**-**
	Charge for the year 2019-20	14.34	14.34
	Deletions during the year 2019-20	-	-
	Balance as at 31st March, 2020	14.34	14.34
	Charge for the year 2020-21	14.30	14.30
	Deletions during the year 2020-21	-	-
	Balance as at 31st March, 2021	**28.64**	**28.64**
	Net carrying amount		
	Balance as at 31st March, 2021	**420.25**	**420.25**
	Balance as at 31st March, 2020	434.55	434.55

(Also refer note 51)

8	**Investment property**	**Freehold land**	**Building**	**Building on leasehold land (Refer note 8.4)**	**Total**
	Gross carrying value as at 1st April, 2019	**178.09**	**28.34**	**950.85**	**1,157.28**
	Additions during the year 2019-20	-	-	-	-
	Deletions during the year 2019-20	-	-	-	-
	Balance as at 31st March, 2020	**178.09**	**28.34**	**950.85**	**1,157.28**
	Additions during the year 2020-21	-	-	-	-
	Deletions during the year 2020-21	-	19.40	-	19.40
	Balance as at 31st March, 2021	**178.09**	**8.94**	**950.85**	**1,137.88**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

8

Investment property	Freehold land	Building	Building on leasehold land (Refer note 8.4)	Total
Accumulated depreciation				
Balance as at 1st April, 2019	**-**	**1.53**	**73.25**	**74.78**
Additions during the year 2019-20	-	0.52	23.79	24.31
Deletions during the year 2019-20	-	-	-	-
Balance as at 31st March, 2020	**-**	**2.05**	**97.04**	**99.09**
Additions during the year 2020-21	-	0.48	23.74	24.22
Deletions during the year 2020-21	-	1.71	-	1.71
Balance as at 31st March, 2021	**-**	**0.82**	**120.78**	**121.60**
Net carrying amount				
Balance as at 31st March, 2021	**178.09**	**8.12**	**830.07**	**1,016.28**
Balance as at 31st March, 2020	178.09	26.29	853.81	1,058.19

8.1 Depreciation is provided on investment property based on useful life on Straight Line Method [Also refer note 3.4].

8.2 Cost of freehold land includes Rs. 134.40 lakhs as at 31st March 2021 (Previous year: Rs. 134.40 lakhs) which is in the name of the 'Executive Chairman and Managing Director' of the Company.

8.3 For details of assets given as security, refer note 27.1 .

8.4 The leasehold improvements are constructed on land taken under cancellable operating lease. Refer note 51 for details on future minimum lease rentals.

8.5 Amount recognized in Statement of Profit and Loss for investment properties:

Particulars	31st March 2021	31st March 2020
Rental income derived from investment property (Refer note 8.6)	42.25	47.15
Direct operating expenses (including repairs and maintenance) generating rental income	17.39	18.56
Direct operating expenses (including repairs and maintenance) that did not generate rental income	2.31	2.96
Profit from leasing of investment properties before depreciation	**22.55**	**25.63**
Less: Depreciation expenses	23.74	24.31
(Loss) / profit from leasing of investment properties after depreciation	**(1.19)**	**1.32**

8.6 Leasing arrangement

Certain investment properties are leased to tenants under cancellable / non-cancellable operating leases with rentals payable monthly.

8.7 Fair value

Particulars	As at 31st March 2021	As at 31st March 2020
Fair value of investment properties	1,372.37	1,415.07

8.8 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.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

9

Other intangible assets	Software	Total
Goss carrying value as at 1st April, 2019	**87.63**	**87.63**
Additions during the year 2019-20	17.71	17.71
Deletions during the year 2019-20	-	-
Balance as at 31st March, 2020	**105.34**	**105.34**
Additions during the year 2020-21	9.96	9.96
Deletions during the year 2020-21	0.07	0.07
Balance as at 31st March, 2021	**115.23**	**115.23**
Accumulated amortization		
Balance as at 1st April, 2019	**17.20**	**17.20**
Amortization for the year 2019-20	10.92	10.92
Deletions during the year 2019-20	-	-
Balance as at 31st March, 2020	**28.12**	**28.12**
Amortization for the year 2020-21	11.76	11.76
Deletions during the year 2020-21	0.07	0.07
Balance as at 31st March, 2021	**39.81**	**39.81**
Net carrying amount		
Balance as at 31st March, 2021	**75.42**	**75.42**
Balance as at 31st March, 2020	77.22	77.22

9.1 Software is other than internally generated software.

9.2 Balance useful life of intangible assets as at 31st March 2021 is 1 to 9 years (Previous year: 1 to 9 years).

10

Investments in subsidiaries and joint ventures (At cost)	As at 31st March 2021	As at 31st March 2020
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, 2020 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 (31st March, 2020: 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 (31st March, 2020: 10,000) of Rs. 10 each	1.00	1.00
Mahodadhi Palace Private Limited 10,000 equity shares (31st March, 2020: 10,000) of Rs. 10 each	1.00	1.00
Kamat Restaurants (India) Private Limited	1.00	1.00
10,000 equity shares (31st March, 2020: 10,000) of Rs. 10 each		
Investments in Joint Venture		
Ilex Developers and Resorts Limited 2,66,500 equity shares (31st March, 2020: 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

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

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.

In respect of loan taken by the subsidiary company, as per the legal opinion obtained and in accordance with the settlement arrangement between holding company, the subsidiary company and lender of subsidiary company, the loan liability shown in financial statement of the subsidiary company as well as loan advanced by the Company to subsidiary and guarantees in the financial statement of the Company (i.e. Guarantors) would get extinguished. Further, the Company has agreed to transfer 100% equity shares of the subsidiary company to IARC for a consideration of Rs. 1/- and in turn thereof lender shall release all the corporate and personal guarantees unconditionally. The other terms/conditions and obligation as agreed between the parties along with the extinguishment as mentioned above will be accounted when the definitive agreement is executed. The settlement arrangement has been agreed in principle and the terms of settlement and the modalities are being worked out.

10.2 The Company has 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 (Previous year: 57,64,701) equity shares as on 31st March 2021 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 27.1(a)].

11	**Investments**	**As at 31st March 2021**	**As at 31st March 2020**
	Non-current		
	Investment measured at Fair Value Through Profit or Loss		
	Investment in equity instruments		
	Quoted		
	Royal Orchid Hotels Limited 50 equity shares (31st March 2020: 50) of Rs. 10 each	0.03	0.02
	Unquoted		
	The Satara Sahakari Bank Limited 10,010 equity shares (31st March, 2020: 10,010) of Rs. 50 each	19.63	15.30
	Total FVTPL investments	**19.66**	**15.32**
	Total	**19.66**	**15.32**
	Aggregate cost of quoted investments	0.03	0.03
	Aggregate amount of unquoted investments	19.63	15.30
	Market value of quoted investments	0.03	0.02
	Aggregate amount of impairment in value of investments	-	-

12	**Loans - non current** (Unsecured, considered good unless otherwise stated)	**As at 31st March 2021**	**As at 31st March 2020**
	Security deposits		
	- Related Party (Refer note 12.1 and 47)	1,919.27	1,818.01
	- Others	138.52	137.55
	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	**2,057.79**	**1,955.56**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

12.1 Security deposit paid having carrying value of Rs. 8,000 lakhs as at 31st March 2021 (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 under Ind AS 109 - Financial Instrument. Deferred lease asset arising out of the said fair valuation is being amortised on straight line basis. (Refer note 15).

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.

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	Other financial assets	As at 31st March 2021	As at 31st March 2020
	Non current		
	Margin money in fixed deposits with banks (maturity more than 12 months) (Refer note 13.1 below)	5.51	6.52
	Total	**5.51**	**6.52**

13.1 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.

14	Income tax assets (net)	As at 31st March 2021	As at 31st March 2020
	Non current		
	Income tax (net)	1,015.91	940.34
	Total	**1,015.91**	**940.34**

15	Other non current assets (Unsecured, considered good unless otherwise stated)	As at 31st March 2021	As at 31st March 2020
	Capital advances	188.65	188.65
	Less: Impairment of advance given	188.65	188.65
		-	-
	Others advances (Refer Note 15.1)	488.62	488.62
	Less: Impairment of advance given	488.62	488.62
		-	-
	Deferred advance rentals	3,487.58	3,650.47
	Prepaid expenses	9.78	7.59
	Total	**3,497.36**	**3,658.06**

15.1 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.

16	Inventories (At lower of cost or net realisable value)	As at 31st March 2021	As at 31st March 2020
	Food and beverages	80.92	148.18
	Stores and operating supplies (Refer Note 16.1)	75.85	110.29
	Total	**156.77**	**258.47**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

16.1 The cost of inventories recognised as an expense amounted to Rs. 759.51 lakhs (Previous year Rs. 2,379.73 lakhs). Refer note 3.5 for accounting policy for inventory valuation.

17

Investments	**As at 31st March 2021**	**As at 31st March 2020**
Current		
Investment measured at Fair Value Through Profit or Loss		
Quoted		
50,000 (Previous year: 50,000) units of SBI PSU FUND- of Rs.10 each (Refer Note 17.1)	5.28	3.81
Total	**5.28**	**3.81**
Aggregate cost of quoted investments	5.00	5.00
Market value of quoted investments	5.28	3.81
Aggregate amount of impairment in value of investments	-	-

17.1 The fair value hierarchy and classification are disclosed in Note 58.

18

Trade receivable (Unsecured considered good, unless otherwise stated)	**As at 31st March 2021**	**As at 31st March 2020**
-Considered good (Refer Note 18.1)	607.55	987.12
-Considered doubtful	1,506.05	1,414.09
Sub-total	**2,113.60**	**2,401.21**
Less: Allowance for expected credit loss* (Refer note 18.2)	1,506.05	1,414.09
Total	**607.55**	**987.12**

* The Company recognizes loss allowances using the expected credit loss (ECL) model based on 'simplified approach'. Considering same, there are trade receivables having significant credit risk [Also refer note 3.18.1 and 58(a)(ii)].

18.1 Trade receivable includes receivable from related parties as given below. This included amount of Rs. 106.26 lakhs (Previous year: Rs. 103.11 lakhs) from entities in which director of the Company is also director.

Particulars	**As at 31st March 2021**	**As at 31st March 2020**
From related parties (Refer note 47)		
Orchid Hotel Pune Private Limited	91.30	91.43
Ilex Developers & Resorts Limited	13.70	9.63
Treeo Resorts Private Limited	-	2.05
Orchid Hotels Himachal Private Limited	1.26	-
Total	**106.26**	**103.11**

18.2

Allowance for expected credit loss:	**Year ended 31st March 2021**	**Year ended 31st March 2020**
Opening balance	**1,414.09**	**1,461.96**
Add: allowance during the year	100.61	-
Sub-total	1,514.70	1,461.96
Less: Bad debts written off	8.65	13.71
Less: Reversal of allowances no longer required	-	34.16
Closing balance	**1,506.05**	**1,414.09**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

19	Cash and cash equivalents	As at 31st March 2021	As at 31st March 2020
	Balances with bank		
	- In current accounts	187.41	125.24
	- Cash in hand	12.74	27.04
	- Fixed deposits (maturity less than 12 months)	459.04	100.54
	Total	**659.19**	**252.82**

20	Other bank balances	As at 31st March 2021	As at 31st March 2020
	Margin money in fixed deposits with banks (Refer note 20.1)	57.63	53.16
	Balance in Bank - Escrow Account (Refer note 20.2)	0.05	14.70
	Total	**57.68**	**67.86**

20.1 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.

20.2 Balance with bank (escrow account) is maintained for servicing monthly installments of term loan taken.

21	**Loans** (Unsecured considered good, unless otherwise stated)	As at 31st March 2021	As at 31st March 2020
	Current		
	Security deposit	13.20	13.30
	Loans and advances to employees	58.75	0.22
	Total	**71.95**	**13.52**

22	**Other financial assets** (Unsecured, considered good unless otherwise stated)	As at 31st March 2021	As at 31st March 2020
	Current		
	Interest receivable from:		
	- Wholly owned subsidiary on loans and advances (Refer note 47.3)	3.62	3.62
	- on bank deposits and Investments	19.28	16.91
	Total	**22.90**	**20.53**

23	Income tax assets (net)	As at 31st March 2021	As at 31st March 2020
	Current		
	Income tax (net)	-	231.52
	Total	**-**	**231.52**

24	**Other current assets** (Unsecured, considered good unless otherwise stated)	As at 31st March 2021	As at 31st March 2020
	Advances to vendors	65.56	92.15
	Advance for project	17.26	71.64
	GST receivable on vendor payment	5.46	-
	Balances with Government authorities (Refer note 24.1)	137.96	113.52
	Prepaid expenses	172.06	147.84
	Total	**398.30**	**425.15**

24.1 Balance of authorities includes input tax credit (ITC) of Rs. 12.88 lakhs (Previous year: Rs. 9.80 lakhs) of Goods and service tax (GST) taken based on legal interpretation.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

25

Share capital	As at 31st March 2021	As at 31st March 2020
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**

25.1 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).

25.2 Reconciliation of the number of shares outstanding is set out below:

Particulars	As at 31st March 2021		As at 31st March 2020	
	Number of Shares	Amount	Number of Shares	Amount
Number of shares at the beginning of the year	2,35,84,058	2,358.41	2,35,84,058	2,358.41
Add: Shares issued during the year	-	-	-	-
Less: Buyback during the year	-	-	-	-
Number of shares at the year end	2,35,84,058	2,358.41	2,35,84,058	2,358.41

25.3 Details of shareholders holding more than 5 % shares

Particulars	As at 31st March 2021		As at 31st March 2020	
	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
Vishal Amusements Limited	18,88,526	8.01	18,88,526	8.01

* These entities have merged with Vishal Amusement Limited with effect from 16th May, 2018. Transfer formalities are in progress.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

26

Other equity	As at 31st March 2021	As at 31st March 2020
Capital reserve (Refer note 26.1)		
As per last Balance sheet	13.87	13.87
Capital redemption reserve (Refer note 26.2)		
As per last Balance sheet	266.50	266.50
Securities premium (Refer note 26.3)		
As per last Balance sheet	14,986.74	14,986.74
Amalgmation reserve (Refer note 26.4)		
As per last Balance sheet	280.06	280.06
(Deficit) in the Statement of Profit and loss		
As per last balance sheet	(17,141.68)	(20,711.27)
Add: (Loss) / profit for the year	(2,757.20)	3,569.59
Closing balance	**(19,898.88)**	**(17,141.68)**
Other comprehensive income		
As per last balance sheet	24.32	14.82
Add: Other comprehensive income for the year	34.15	9.50
Closing balance	**58.47**	**24.32**
Total	**(4,293.24)**	**(1,570.19)**

26.1 Capital reserve represent profit on sale of fixed asset related to an entity amalgamated with Company in the earlier years.

26.2 Capital redemption reserve is credited by amount set aside for redemption of preference shares in earlier years.

26.3 Securities premium account is used to record the premium on issue of equity shares. The same will be utilised in accordance with the provisions of the Companies Act, 2013.

26.4 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.

27

Borrowings	As at 31st March 2021	As at 31st March 2020
Non-current borrowings		
Secured		
Term loans (Refer note 27.4(d))		
- From banks (Refer note 27.1(c))	2,513.23	1,784.28
- From others (Refer note 27.1(a), 27.1(b) and 27.5)	26,550.17	23,633.37
Unsecured		
- Inter-corporate loan (Refer note 27.2)	612.69	186.01
	29,676.09	25,603.66
Less: Current maturities of long term loans (Refer note 35)	21,222.09	5,889.87
Less: Interest accrued and due (Refer note 35)	3,955.62	1,017.18
Less: Interest accrued but not due (Refer note 35)	17.59	11.93
Total	**4,480.79**	**18,684.68**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

27.1 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. 25,049.81 lakhs (Previous year: Rs. 22,092.22 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. 1,500.36 lakhs (Previous year: Rs. 1,452.90 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 loans from bank having carrying value of Rs. 2,495.64 lakhs (Previous year: Rs. 1,772.34 lakhs) 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 property, plant and equipments 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 (v) Post dated cheques (vi) Corporate guarantees of Plaza Hotels Private Limited and Vishal Amusement Limited.

27.2 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.

27.3 Based on repayment schedules for borrowings [including as per settlement agreement or One Time Settlement sanctioned by various lenders as referred in note 27.4 below], following is maturity profile of term loans from banks and others [assigned loans].

Particulars	**Maturity Profile as on 31st March 2021**		**Maturity Profile as on 31st March 2020**	
	Next 1 year	**2-5 Years**	**Next 1 year**	**2-5 Years**
Term loan from banks	238.37	2,237.72	437.98	1,334.37
Term loan from others	20,983.72	2,243.07	5,451.89	17,350.31
Total	**21,222.09**	**4,480.79**	**5,889.87**	**18,684.68**

27.4 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 amounts and penal interest and charges which are estimated to be Rs. 32,286.79 lakhs (Previous year: Rs. 27,399.38 lakhs).

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

(c) With respect to cases filed in earlier years under Negotiable Instrument Act, 1881, since the relevant loan has been fully assigned, the Company was advised that the proceedings under the said Act will not survive. In the previous year, the case was disposed off by the court upon amicable settlement of the matter.

(d) Considering COVID-19 pandemic, the Company had sent signed letters by e-mails in the month of March 2020 and June 2020 to various lenders (except Kotak Bank) and had sent an e-mail in September 2020 to Kotak Bank for extension of the dues upto December 2020. In-principle approval was received in writing from one of the lenders for extension of three EMI's amounting to Rs. 143 lakhs each. In respect of further restructuring proposals submitted by the Company with certain lenders, in-principal approval was received in writing from two lenders and the Kotak Bank restructured the outstanding loan whereby it sanctioned Funded Interest Term Loan (FITL) and additional finance by way of Working Capital Term Loan (WCTL) of Rs. 360 lakhs under Emergency Credit Line Guarantee Scheme 2.0. The Company has executed necessary loan documents with Kotak Bank after the close of the financial year. In respect of three lenders, though written confirmation from lenders are awaited, all lenders have verbally agreed for the extension whenever sought. In view of the above, in the opinion of the management, event of default is not triggered and therefore, there is no other accounting implications and reclassification of non-current borrowings to current liabilities is not required as at 31st March 2021. Considering the above, in the opinion of the management, no intimation is required to be given to the stock exchange for unpaid installments as at 31st March 2021 as required by SEBI circular dated 21st November 2019. Impact if any, will be considered in the period in which the Company and the lenders agree on the revised terms.The Company has sent letters to the lenders, requesting confirmation of outstanding loan balances, of which confirmations from four lenders for balance of Rs. 6,531.29 lakhs are awaited.

27.5 (a) During the previous year, an Asset Reconstruction Company (ARC) to whom the bank had assigned its loan have permitted extension of repayment tenor of the respective secured debt till 28th February, 2023, on the payment of interest at 12.5% p.a. payable as per the repayment schedule w.e.f 1st October, 2019. Extension of loan along with interest is accounted in accordance with the requirement of Ind AS 109 - Financial Instruments.

(b) During the previous year, an ARC (to which two banks and one financial institution had assigned their secured debts) has modified terms and conditions of the debt by providing the allocation between principal and interest payable w.e.f 1st April 2019 vide their letter dated 29th January 2020. Further the effective interest rate (EIR) has been recomputed based on the revised principal amount. The management is of the view that the de-recognition and consequent the write back of loan and re-computation of EIR has been done in accordance with the qualitative parameters permitted in Ind AS 109- 'Financial Instrument' on the basis of opinion obtained from an expert and its ability to make prepayment of loan. Consequently, the Company had written back the principal amount of Rs. 2,369.28 outstanding as on 1st April 2019. Principal write back of Rs. 2,369.28 lakhs has been shown as "exceptional item". Also refer note 44.1.

27.6 Loans guaranteed by executive chairman and managing director and his relatives

Particulars*	As at 31st March 2021	As at 31st March 2020
Term loan from banks	2,513.23	1,784.28
Term loan from others	26,550.17	23,633.37
Total	**29,063.40**	**25,417.65**

*Including interest outstanding.

27.7 Delay in repayment of loan and interest [without considering in-principle / verbal approvals from lenders as elaborated in note 27.4(d) above] at the year end is as given below:

Particulars	As at 31st March 2021		As at 31st March 2020	
	Amount*	Period defaults	Amount*	Period defaults
Principal	6,519.44	1 to 457 days	987.36	1 to 92 days
Interest (including delayed interests)	3,926.48	1 to 457 days	988.73	1 to 92 days
Total	**10,445.92**		**1,976.09**	

* Amount of Rs. Nil has been fully repaid subsequent to year before approval of accounts (Previous year: Amount of Rs. Nil repaid subsequent to previous year before approval of accounts).

28

Lease liabilities	As at 31st March 2021	As at 31st March 2020
Non current		
Lease rent (Refer note 51)	100.21	96.52
Total	**100.21**	**96.52**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

29

Other financial liabilities	As at 31st March 2021	As at 31st March 2020
Non current		
Outstanding club membership deposit	19.19	30.87
Security deposits	62.82	65.82
Deposit from related party (Refer note 29.1)	25.95	23.17
Total	**107.96**	**119.86**

29.1 Security deposit received having carrying value of Rs. 80.00 lakhs as at 31st March 2021 (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 109 - Financial Instrument. Unwinding of deferred lease liability arising out of the said fair valuation is being recognised on straight line basis. (Refer Note 37).

30

Provisions	As at 31st March 2021	As at 31st March 2020
Non current		
Provision for gratuity (Refer note 50(ii)(a))	223.80	222.17
Provision for leave benefit (Refer note 50(ii)(b))	164.43	200.88
Total	**388.23**	**423.05**

31

Deferred tax liabilities		As at 31st March 2021	As at 31st March 2020
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		3,648.66	3,603.65
Sales tax deposit paid under protest claimed as allowable expenses		2.52	2.52
	Sub-total (A)	**3,651.18**	**3,606.17**
Deferred tax assets			
Carried forward losses as per Income Tax Act, 1961		964.60	-
Expense allowed on payment basis as per Income tax act, 1961		450.23	451.74
Provision for doubtful debts and advances		384.85	360.46
Lease expenses under Ind AS 116		0.43	0.13
Fair value measurement of financial assets and liabilities (net)		481.00	466.66
	Sub-total (B)	**2,281.11**	**1,278.99**
Deferred tax liabilities	**(A-B)**	**1,370.07**	**2,327.18**

31.1 Reconciliation of tax expenses and the accounting profit multiplied by applicable tax rate for 31st March 2021 and 31st March 2020:

Particulars	As at 31st March 2021	As at 31st March 2020
(Loss) / profit before tax (a)	(3,714.76)	3,593.49
Income tax rate as applicable (b)	25.17%	29.12%
Income tax liability/(asset) as per applicable tax rate (a X b)	(934.94)	1,046.42
(i) Expenses disallowed / income not taxable for tax purposes (net)	(11.77)	(685.97)
(ii) Effect of difference in tax rate considered for current tax and deferred tax	-	(349.94)
(iii) Tax expenses of earlier years	(10.85)	13.39
Tax expense reported in the Statement of Profit and Loss	**(957.56)**	**23.90**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

Particulars	As at 31st March 2021	As at 31st March 2020
Other comprehensive income (a)	45.64	13.40
Income tax rate as applicable (b)	25.17%	29.12%
Income tax liability/(asset) as per applicable tax rate (a X b)	11.49	3.90
Tax expense/(credit) reported in Other comprehensive income	**11.49**	**3.90**

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) For the current financial year, the Company has opted for lower tax rate under Section 115BAA of the Income Tax Act, 1961. Current tax for the previous year ended 31st March, 2020 was provided as per old tax regime. Deferred tax asset has been created on losses incurred during the year, considering there is a deferred tax liability on net basis. Further, deferred tax year ended 31st March, 2020 includes credit of Rs. 349.94 lakhs on account of applying lower tax rate as per the new regime to which the company has migrated in the year 2020-21.

31.2 Income tax recognised in the Statement of Profit and Loss:

Particulars	As at 31st March 2021	As at 31st March 2020
Current tax		
In respect of the current year	-	297.75
In respect of the earlier years	11.03	(99.87)
	11.03	**197.88**
Deferred tax		
Deferred tax charge in respect of current year	(946.71)	(287.24)
Deferred tax charge in respect of previous year	(21.88)	113.26
	(968.59)	**(173.98)**
Total tax expense recognized in current year	**(957.56)**	**23.90**

32	Other non-current liabilities	As at 31st March 2021	As at 31st March 2020
	Unamortized non-refundable membership deposit	378.84	453.32
	Total	**378.84**	**453.32**

33	Trade payables	As at 31st March 2021	As at 31st March 2020
	Outstanding dues of micro enterprises and small enterprises (Refer note 33.1).	330.59	292.46
	Outstanding dues of creditors other than micro enterprises and small enterprises		
	- Others	1,800.56	1,947.17
	- Related parties (Refer note 47)	138.26	289.61
	Total	**2,269.41**	**2,529.24**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

33.1 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 2021**	**As at 31st March 2020**
Dues remaining unpaid at the year end:		
(a) The principle amount remaining unpaid to supplier as at the end of the accounting year	243.68	226.24
(b) The interest thereon remaining unpaid to supplier as at the end of the accounting year	86.91	66.22
(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	20.69	25.12
(e) Amount of interest accrued and remaining unpaid at the end of the accounting year	86.91	66.22
(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	7.31	14.14

34

Lease liabilities	**As at 31st March 2021**	**As at 31st March 2020**
Current		
Lease rent (Refer note 51)	14.11	16.57
Total	**14.11**	**16.57**

35

Other financial liabilities	**As at 31st March 2021**	**As at 31st March 2020**
Current		
Current maturities of long term borrowings	21,222.09	5,889.87
Interest accrued but not due	17.59	11.93
Interest accrued and due:		
- To banks and others	3,955.62	1,017.18
- On bond deposit	112.63	118.78
Current maturity of outstanding membership deposit	1,198.31	1,199.17
Creditors for capital expenditure (Refer note 33.1)	89.26	113.27
Security deposit	40.82	38.82
Book overdraft	-	266.26
Other payables *	325.16	695.71
Total	**26,961.48**	**9,350.99**

*Other payables mainly consist of employee related dues and other accrued expenses.

36

Provisions	**As at 31st March 2021**	**As at 31st March 2020**
Current		
Provision for gratuity (Refer note 50(ii)(a))	43.13	55.67
Provision for leave benefit (Refer note 50(ii)(b))	58.96	81.24
Total	**102.09**	**136.91**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

37	**Other current liabilities**	**As at 31st March 2021**	**As at 31st March 2020**
	Advance from customers	267.24	267.32
	Unamortized non-refundable membership deposit	74.47	74.47
	Income received in advance (others)	7.70	6.99
	Deferred income on club deposits	3.07	4.43
	Deferred advance rentals on security deposits	33.32	36.92
	Statutory dues	1,155.69	1,602.24
	Total	**1,541.49**	**1,992.37**

38	**Revenue from operations**	**Year ended 31st March 2021**	**Year ended 31st March 2020**
	Sale of services		
	Room income	2,625.21	9,887.53
	Food and beverage income	1,744.32	6,307.38
	Sub-total	**4,369.53**	**16,194.91**
	Other operating revenue		
	Income from time share business	173.76	197.54
	Management and consultancy fees	74.99	177.55
	Swimming and health club	20.02	76.82
	Conference and banqueting services	122.96	499.68
	Internet and telephone	0.52	10.69
	Laundry services	9.30	42.53
	Car rental and transportation	14.42	136.97
	Membership fees	51.72	76.10
	Miscellaneous services	26.38	76.28
	License fees - Shops and offices	83.73	156.47
	Income from export incentive	-	76.21
	Subsidy recevied from MTDC (Incentive Scheme) (Refer Note 38.1)	150.94	-
	Excess provision for expected credit loss written back	-	34.16
	Liabilities and provisions written back	63.99	113.02
	Sub-total	**792.73**	**1,674.02**
	Total	**5,162.26**	**17,868.93**

38.1 Revenue from Operations for the quarter and year ended 31st March 2021 includes Rs 150.94 lakhs (Previous year Rs. Nil) being grant of indirect taxes refund accrued based on application made by the Company during the year under Maharashtra Package Scheme of Incentives for a hotel unit. The Company has received Rs. 92.68 lakhs towards partial grant amount after the close of the financial year before signing of the annual accounts.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

39

Other income	**Year ended 31st March 2021**	**Year ended 31st March 2020**
Interest income on financial assets at amortised cost		
- on fixed deposit with bank	18.57	7.05
- on income tax refund	-	6.74
- on others	5.20	10.60
Dividend income on investment in mutual fund - current investment	-	0.43
Exchange gain (net)	0.10	4.91
Net gain on fair value changes of financial assets measured at amortised cost	6.66	3.98
License fees - including in respect of investment properties	44.09	56.28
Profit on sale of property, plant and equipment (net)	25.19	-
Miscellaneous income	0.68	-
Total	**100.49**	**89.99**

40

Consumption of food and beverages	**Year ended 31st March 2021**	**Year ended 31st March 2020**
Opening stock	148.18	139.35
Add: Purchases	441.56	1,644.85
	589.74	1,784.20
Less: Closing stock	80.92	148.18
Total	**508.82**	**1,636.02**

41

Employee benefits expense	**Year ended 31st March 2021**	**Year ended 31st March 2020**
Salaries, wages and bonus	960.51	3,766.02
Contribution to provident and other funds	66.73	222.26
Gratuity expense (Refer note 50(ii)(a))	63.80	67.53
Leave benefit expense (Refer note 50(ii)(b))	6.62	18.47
Staff welfare expenses	93.78	381.13
Total	**1,191.44**	**4,455.41**

42

Finance costs	**Year ended 31st March 2021**	**Year ended 31st March 2020**
Interest expense at effective interest rate on borrowings which are measured at amortized cost	3,422.22	2,903.32
Other borrowing costs	441.24	422.27
Fair value changes in financial liabilities (measured at amortized cost)	1.42	85.86
Interest expense on lease liabilities (Refer note 51)	25.89	24.95
Total	**3,890.77**	**3,436.40**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

43

Other expenses	Year ended 31st March 2021	Year ended 31st March 2020
Operating expenses		
Heat, light and power	487.04	1,215.69
Rent (Refer note 51)	73.46	128.77
Licenses, rates and taxes	376.50	447.91
Repairs expenses for		
- Buildings	145.97	254.10
- Plant and Machinery	176.88	300.70
- Others	44.65	133.56
Guest amenities and supplies	297.89	726.96
Replacements of crockery, cutlery, linen, etc.	18.61	99.90
Washing and laundry expenses	40.10	182.90
Water charges	70.89	141.39
Band and music expenses	61.62	160.12
Management license fees and royalty	124.99	352.04
	1,918.60	**4,144.04**
Sales and marketing expenses		
Advertisement, publicity and sales promotion	66.43	248.18
Travel agents' commission	160.86	597.31
Other commission and charges	25.41	158.28
Sub total(B)	**252.70**	**1,003.77**
Administrative and general expenses		
Communication expenses	100.59	121.13
Printing and stationery	20.00	49.00
Legal, professional and consultancy charges	78.54	313.76
Directors' sitting fees	6.00	7.00
Travelling and conveyance	102.17	269.50
Insurance	81.16	62.56
Bad debts (net)	8.65	13.71
Less: Provision for expected credit loss	(8.65)	(13.71)
	-	-
Provision for expected credit loss	100.61	-
Expenditure on Corporate Social Responsibility (Refer Note 43.1)	12.57	9.36
Auditors' remuneration (Refer note 43.2)	22.75	22.75
Sales Tax/Vat /Luxury Tax etc. including assessment dues	2.70	1.80
Loss on sale / discard of property, plant and equipment (net)	-	1.13
Miscellaneous expenses	60.40	149.38
Sub total(C)	**587.49**	**1,007.37**
Total (A+B+C)	**2,758.79**	**6,155.18**

KAMAT HOTELS (INDIA) LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

43.1 During the year the Company was required to spend gross amount of Rs. 12.51 lakhs (Previous year Rs.34.75 lakhs) towards Corporate Social Responsibility, in respect of which Rs. 12.57 lakhs (Previous year Rs. 9.36 lakhs) were spent on projects other than construction/ acquisition of assets. The entire amount has been disbursed/committed prior to the end of the financial year ended 31st March 2021 and an amount of Rs.25.39 lakhs were unspent out of requirement for the previous year.

Details of expenditure on Corporate Social Responsibility	**Year ended 31st March 2021**	**Year ended 31st March 2020**
(i) Gross amount required to be spent by the Company during the year	12.51	34.75
(ii) Amount approved by the Board to be spent during the year	12.51	34.75
(iii) Amount spent during the year:		
(a) Environment	5.80	9.36
(b) Preventive health care and sanitation	6.52	-
(c) Other administrative overheads	0.25	-
Total	**12.57**	**9.36**
(iv) Amount unspent	Nil	**25.39**

43.2

Auditors' remuneration	**Year ended 31st March 2021**	**Year ended 31st March 2020**
Statutory audit fees	20.00	20.00
Tax audit fees	2.75	2.75
Total	**22.75**	**22.75**

Note: Above fees are excluding of goods and service tax (GST) of Rs.4.10 lakhs (Previous year: Rs. 4.10 lakhs).

44

Exceptional items - Income	**Year ended 31st March 2021**	**Year ended 31st March 2020**
Income:		
Reduction in liability towards long term borrowings (Refer note 44.1)	-	2,369.28
Insurance claim income (Refer note 44.2)	373.17	-
Total income	**373.17**	**2,369.28**

44.1 During the previous year, an ARC to which two banks and one financial institution had assigned their secured debts has restructured the debt by reducing the liability on NPV basis considering interest at 13% p.a. payable as per repayment schedule. Consequently, loan amount of Rs. 2,369.28 lakhs has been written back. Also refer note 27.5 (b).

44.2 In the previous year, Company's one hotel property in Orissa was affected due to 'Cyclone Fani'. Net block of assets destroyed was Rs. Nil. During the current year final claim has been settled by the insurance company and consequently, amount of Rs. 373.17 lakhs has been accounted as revenue in the current year.

45 Capital commitments, other commitments, contingent liabilities and contingent assets

45.1 Capital Commitments.

(a) Estimated amount of capital commitments to be executed on capital accounts and not provided for Rs. 4.62 lakhs as at 31st March 2021 (Previous year: Rs. 19.45 lakhs) (Net of advances).

45.2 Other significant commitments.

(a) The Company had put up Sewage Treatment Plant ("STP") on an adjacent immovable property owned by Savarwadi Rubber Agro Private Limited (previously known as 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.1,036.82 lakhs (Previous year: Rs. 1,036.82 lakhs) as per management estimate.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

45.3 Contingent liability (to the extent not provided for)

Particulars		As at 31st March 2021	As at 31st March 2020
(i)	**Claims against the Company/ disputed liabilities not acknowledged as debts**		
	Disputed indirect tax demands (Including amount paid under protest of Rs. 22.22 lakhs) (Previous year: Rs. 22.22 lakhs)	539.33	539.33
	Disputed direct tax demand	5,511.51	5,453.27
	Claims against the Company not acknowledged as debts (including employee claims)	109.59	108.46
(ii)	**Other money for which the Company is contingently liable**		
	Contingencies in respect of assigned loan (Also refer note 27.4(b))	32,286.79	27,399.38
	Open import license	51.66	49.63

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.

45.4 Other litigations

(a) Refer note 15.1 in respect of dispute regarding Bandra Kurla Project.

45.4 Contingent asset (to the extent not recognised)

Particulars	As at 31st March 2021	As at 31st March 2020
Tax subsidy receivable from MTDC under Package Scheme of Incentives	26.97	-

46 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 2021	As at 31st March 2020
	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 TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

47 Disclosures as required by Indian Accounting Standard (Ind AS) 24 - Related Party Disclosures

47.1 Name and relationships of related parties:

(a)	Subsidiaries and joint ventures		Refer note 46 above
(b)	Entities in which Director/ KMP and relatives have significant influence (Only where there are transactions/ balances)		Vithal 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 (S) Limited, Kamat Eateries Private Limited^, Savarwadi Rubber Agro Private Limited, Kamats Development Private Limited, Talent Hotels Private Limited, Treeo Resort Private Limited, Nagpur Ecohotel Private Limited^, VITS Hotels (Bhubaneshwar) Private Limited^, Orchid Hotels Himachal Private Limited
(c)	Key Management Personnel [KMP & director]:	Executive Chairman & Managing Director	Dr. Vithal V. Kamat
		Non Executive Director	Mr. Bipinchandra C. Kamdar (upto 30th September, 2020)
			Ms. Vidita V.Kamat (w.e.f. 29th September, 2020)
			Mr. Sanjeev Rajgarhia (w.e.f. 28th August, 2020)
		Independent Director	Mr. S. S. Thakur (Upto 27th May 2019)
			Mr. Dinkar D. Jadhav (upto 19th February 2021)
			Ms. Himali H. Mehta (upto 13th February, 2020)
			Ms. Harinder Pal Kaur (w.e.f. 15th May, 2020)
			Mr. Ramnath P. Sarang (w.e.f. 27th May, 2019)
(d)	Relatives of KMP		Mrs. Vidhya V. Kamat [Wife of KMP]
	(Only where there are transactions/ balances)		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]
(e)	Post employment benefit plans		Kamat Hotels (India) Limited - Employees Gratuity Trust
(f)	Key management personnel as per Companies Act, 2013.	Chief Financial Officer	Mrs. Smita Nanda
		Company Secretary	Mr. Amit Vyas (Upto 13th May 2019)
			Mr. Shailesh Bhaskar (from 27th May 2019 to 10th June 2020)
			Mrs. Shruti Shrivastava (from 24th July 2020 to 15th December, 2020)
			Ms. Ruchita Shah (from 8th February 2021 to 13th May 2021)
			Mr. Hemal Sagalia (from 29th June 2021)

^ These entities are merged with Vishal Amusements Private Limited w.e.f. 16th May 2018.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

47.2 Transactions with related parties

Nature of transaction	Name of the party	Year ended 31st March 2021	Year ended 31st March 2020
Management fees - income	Orchid Hotels Pune Private Limited	44.71	176.67
Incentive fees		12.91	-
Reimbursement of staff deputation expenses received		48.16	120.66
Amount recovered towards services		126.97	281.50
Temporary refund received of loan given		660.00	1,320.00
Repayment of temporary refund of loan taken		660.00	1,320.00
Taxes recovered on corporate guarantee commission		7.84	7.04
Amount payable towards tax on Commission related Corporate Guarantee		8.26	7.84
Reimbursement of expenses paid (net)		3.41	1.67
Management fees - expense	Mahodadhi Palace Private Limited	22.10	56.82
Management fees - income	Ilex Developers & Resorts Limited	3.22	9.13
Laundry service expense		3.42	3.58
Amount recovered towards services (net of payments)		2.73	-
Taxes recovered on corporate guarantee commission		0.25	0.25
Amount payable towards tax on commission related corporate guarantee		0.44	0.44
Reimbursement of expenses received (net)		7.84	4.38
Rent expense for leasehold land	Plaza Hotels Private Limited	37.09	209.46
Transfer of materials		0.89	-
Amount payable towards tax on Commission related Corporate Guarantee		2.28	2.27
Transfer of materials	Orchid Hotels Himachal Private Limited	1.07	-
Amount payable towards tax on Commission related Corporate Guarantee	Vishal Amusements Limited	0.22	0.17
Amount recovered towards services	Treeo Resort Private Limited	2.05	-
Reimbursement of expenses received (net)		-	0.17
Remuneration paid (Also refer note 48)	Dr. Vithal V. Kamat	30.61	106.45
Remuneration Recovered		72.55	-
Royalty expenses		2.20	5.52
Remuneration paid	Mr. Vishal V. Kamat	21.64	56.24
Consultancy fees	Ms. Vidita Kamat	-	5.40
Directors sitting fees	Mr. Bipinchandra C.Kamdar	-	1.90
	Mr. S.S.Thakur	-	0.60
	Mr. Dinkar D.Jadhav	1.50	1.90
	Mr. Ramnath Sarang	1.50	1.20
	Ms. Himali H. Mehta	-	1.40
	Mrs. Harinder Pal Kaur	1.50	-
	Mr. Sanjeev B. Rajgarhia	1.00	-
	Ms. Vidita Kamat	0.50	-
Contribution to post employment benefit plan	Kamat Hotels (India) Limited - employees gratuity trust	29.07	9.03

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

47.3 Related party outstanding balances:

Nature of balance	Name of the party	As at 31st March 2021	As at 31st March 2020
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		91.30	91.43
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
Trade payable		47.34	29.89
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 (net)		13.70	8.41
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		90.28	258.73
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	Orchid Hotels Himachal Private Limited	1.26	-
Amount receivable	Treeo Resort Private Limited	-	2.05
Investment in equity shares	Fort Jadhav Gadh Hotels Private Limited	1.00	1.00
Investment in equity shares	Kamat Restaurant (India) Private Limited	1.00	1.00
Investment in equity shares	Orchid Hotels Eastern (India) Private Limited	1.00	1.00
Royalty payable	Dr. Vithal V. Kamat	6.01	4.87
Remuneration recoverable		58.75	-
Pledge of shares for term loan taken by the Company		358.43	-
Pledge of shares for term loan taken by the Company	Nagpur Ecohotel Private Limited	-	100.00
Pledge of shares for term loan taken by the Company	VITS Hotels (Bhubaneshwar) Private Limited	-	100.00
Pledge of shares for term loan taken by the Company	Vishal Amusements Limited	645.05	-
Amount payable		1.01	-
Amount receivable		-	0.17

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

Notes:

(a) Entities as mentioned in 47.1(b) have pledged their shares held in the Company for loans taken by the Company

(b) Managerial remuneration excludes provision for gratuity and compensated absences, since these are provided on the basis of an actuarial valuation for the Company's liability to all its employees.

(c) (i) The Company had paid excess remuneration of Rs. 41.94 lakhs to its Executive Chairman and Managing Director (ECMD) for the financial year ended 31st March, 2020 which was subject to shareholders approval at the AGM. Subsequent to the approval of audited accounts for the year ended 31st March, 2020, at the meeting of the Board of Directors held on 28th August, 2020, the Board decided to recover the excess remuneration amounting to Rs. 41.94 lakhs in view of ongoing business scenario and consequently the said amount had been written back in quarter ended 30th June, 2020. Out of the excess remuneration paid, Rs. 13.80 lakhs has been recovered till 31st March 2021 and balance Rs. 28.14 lakhs has been recovered before the date of approval of audited accounts for the year ended 31st March, 2021.

(ii) The Company has paid remuneration to its executive chairman and managing director for the financial year ended 31st March 2021 which is in excess of the limits prescribed under section 197 of the Act (read with Schedule V of the Act) by Rs. 30.61 lakhs; the said excess managerial remuneration is fully recovered by the Company before the date of approval of audited accounts results for the year ended 31st March, 2021.

(d) Transactions with related parties and outstanding balances at the year end are disclosed at transaction value/ carrying value.

(e) 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. 2,476.09 lakhs (Previous year: Rs. 1,800.00 lakhs) to bank for credit facilities availed by the Company [Share of respective entities/ persons is not quantifiable].

(iii) Entities in which KMP has significant influence have provided security by way of creating equitable mortgage of land owned by them for loan taken by the Company.

(iv) 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. (Refer note 27.1(c))

47.4 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 2021, 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.

48 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 as specified in para 47.1 (c) above:

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Short term employee benefits	-	96.95
Post employment benefits*	-	9.50
Other long term benefits*	-	-
Sitting fees	6.00	7.00
Total	**6.00**	**113.45**

*As the liabilities for defined benefit plans are provided on actuarial basis for the all the employees, the amounts pertaining to Key Management Personnel are separately identifiable and hence not included.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

(b) Compensation to KMP as specified in para 47.1 (f) above:[Other than given in 48(a)]

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Short term employee benefits	**12.45**	**46.20**
Mrs. Smita Nanda	9.60	29.12
Mr. Amit Vyas	-	6.32
Mr. Shailesh Bhaskar	0.52	10.76
Mrs. Shruti Shrivastava	1.12	-
Ms. Ruchita Shah	1.21	-
Post employment benefits*	-	-
Other long term benefits*	-	-
Total	**12.45**	**46.20**

*As the liabilities for defined benefit plans are provided on actuarial basis for the all the employees, the amounts pertaining to Key Management Personnel are separately identifiable and hence not included.

49 Earnings per share

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Basic and diluted earning per share		
Profit attributable to the equity holders of the Company	(2,757.20)	3,569.59
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 per share	(11.69)	15.14

50 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	Year ended 31st March 2021	Year ended 31st March 2020
Provident fund	27.63	77.41
Pension fund	29.82	105.36
Employees' state insurance (ESIC)	8.86	38.97
Labour welfare fund	0.42	0.52
Total	**66.73**	**222.26**

(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.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

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.
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	**As at 31st March 2021**	**As at 31st March 2020**
Discount rate (per annum)	6.05%	6.45%
Rate of Return on Plan Assets (per annum)	6.45%	6.45%
Salary Escalation (per annum)	6.50%	6.50%
Attrition Rate (per annum)	10.00%	10.00%
Mortality Rate	As per Indian Assured lives Mortality (2012-14)	As per Indian Assured lives Mortality (2012-14)

The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The discounting rate is based on material yield on government bonds having currency and terms consistent with the currency and terms of post-employment benefit obligations. The overall expected rate of return on assets is based on the LIC structure of interest rates on gratuity funds.

Changes in the present value of obligations	**As at 31st March 2021**	**As at 31st March 2020**
Liability at the beginning of the year	387.28	358.75
Interest cost	22.65	23.25
Current service cost	47.68	52.78
Benefits paid	(39.72)	(33.73)
Past service cost	-	-
Actuarial (gain)/loss on obligations	(48.22)	(13.77)
Liability at the end of the year	**369.67**	**387.28**

Changes in the fair value of plan assets	**As at 31st March 2021**	**As at 31st March 2020**
Opening fair value of plan assets	109.44	126.01
Expected return on plan assets	6.53	8.50
Employers contribution	29.07	9.03
Benefits paid	(39.72)	(33.73)
Actuarial gain/(loss) on plan assets	(2.58)	(0.37)
Closing fair value of plan assets	**102.74**	**109.44**

KAMAT HOTELS (INDIA) LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

Table of recognition of actuarial gain / loss	**As at 31st March 2021**	**As at 31st March 2020**
Actuarial (gain)/ loss on obligation for the year	(48.22)	(13.77)
Actuarial gain/ (loss) on assets for the year	(2.58)	(0.37)
Actuarial (gain)/ loss recognised in other comprehensive income	**(45.64)**	**(13.40)**

Breakup of actuarial (gain) /loss:	**As at 31st March 2021**	**As at 31st March 2020**
Actuarial loss/(gain) arising from change in demographic assumption	-	(0.03)
Actuarial loss arising from change in financial assumption	7.70	14.06
Actuarial loss/(gain) arising from experience	(55.92)	(27.80)
Actuarial loss/(gain) on plan assets	2.58	0.37
Total	**(45.64)**	**(13.40)**

Liability recognized in the Balance Sheet:	**As at 31st March 2021**	**As at 31st March 2020**
Liability at the end of the year	369.67	387.28
Fair value of plan assets at the end of the year	(102.74)	(109.44)
Liability recognized in Balance Sheet	**266.93**	**277.84**

Expenses recognized in the Income Statement:	**Year ended 31st March 2021**	**Year ended 31st March 2020**
Current service cost	47.68	52.78
Interest cost	22.65	23.25
Expected return on plan assets	(6.53)	(8.50)
Actuarial (Gain)	(45.64)	(13.40)
Expense/ (income) recognized in		
- Statement of Profit and Loss	63.80	67.53
- Other comprehensive income	(45.64)	(13.40)

Balance sheet reconciliation	**As at 31st March 2021**	**As at 31st March 2020**
Opening net liability	277.84	232.74
Expense recognised in Statement of Profit and Loss & Other Comprehensive Income	18.16	54.13
LIC contribution during the year	(29.07)	(9.03)
Amount recognized in Balance Sheet	**266.93**	**277.84**
Non current portion of defined benefit obligation	223.80	222.17
Current portion of defined benefit obligation	43.13	55.67

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

Sensitivity analysis of benefit obligation (Gratuity)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
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%	360.10	377.14
b) Impact due to decrease of 0.5%	379.76	397.98
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%	379.31	397.83
b) Impact due to decrease of 0.5%	360.45	377.26
c)Impact of change in withdrawal rate		
Present value of obligation at the end of the year		
a) Withdrawal rate increase of 10%	368.44	385.82
b) Withdrawal rate decrease 10%	370.94	388.76
d)Impact of change in mortality rate		
Present value of obligation at the end of the year		
a) Impact due to increase of 10%	369.71	387.33
b) Impact due to decrease of 10%	369.64	387.25

Maturity profile of defined benefit obligation

Particulars	As at 31st March 2021	As at 31st March 2020
Weighted average duration of the defined benefit obligation	5.44	5.51
Projected benefit obligation	369.67	387.28
Accumulated benefit obligation	-	-

Pay-out analysis

Particulars	As at 31st March 2021	As at 31st March 2020
1st year	72.58	72.03
2nd year	45.23	45.62
3rd year	39.53	44.26
4th year	35.38	41.02
5th year	43.42	37.29
Next 5 year pay-out (6-10 year)	159.73	171.06

(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.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

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	**Year ended 31st March 2021**	**Year ended 31st March 2020**
Discount rate	6.05%	6.45%
Salary escalation	6.50%	6.50%
Attrition rate	10.00%	10.00%
Mortality rate	Indian Assured lives Mortality (2012-14)	Indian Assured lives Mortality (2012-14)

The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The discounting rate is based on material yield on government bonds having currency and terms consistent with the currency and terms of post-employment benefit obligations. The overall expected rate of return on assets is based on the LIC structure of interest rates on gratuity funds.

Changes in the present value of obligations:

Particulars	**Year ended 31st March 2021**	**Year ended 31st March 2020**
Liability at the beginning of the year	282.12	343.83
Interest cost	14.88	20.50
Current service cost	49.59	65.13
Benefits paid	(65.37)	(80.17)
Actuarial (gain) on obligations	(57.83)	(67.17)
Liability at the end of the year	**223.39**	**282.12**

Table of recognition of actuarial (gain) / loss :

Particulars	**Year ended 31st March 2021**	**Year ended 31st March 2020**
Actuarial (gain) on obligation for the year	(57.83)	(67.17)
Actuarial (gain)/loss on assets for the year	-	-
Actuarial (gain)/loss recognized in Statement of Profit and Loss	**(57.83)**	**(67.17)**

Breakup of actuarial (gain) /loss:

Particulars	**Year ended 31st March 2021**	**Year ended 31st March 2020**
Actuarial (gain) arising from change in demographic assumption	-	(0.01)
Actuarial loss arising from change in financial assumption	3.79	8.12
Actuarial (gain) arising from experience	(61.62)	(75.28)
Total	**(57.83)**	**(67.17)**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

Amount recognized in the Balance Sheet:

Particulars	As at 31st March 2021	As at 31st March 2020
Liability at the end of the year	223.39	282.12
Fair value of plan assets at the end of the year	-	-
Amount recognized in the Balance Sheet	**223.39**	**282.12**

Expenses recognized in the Statement of Profit and Loss:

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Current service cost	49.59	65.13
Interest cost	14.88	20.50
Expected return on plan assets	-	-
Actuarial (gain)/loss	(57.83)	(67.17)
Expense recognized in Statement of Profit and Loss	**6.64**	**18.46**

Balance Sheet Reconciliation

Particulars	As at 31st March 2021	As at 31st March 2020
Amount recognized in Balance Sheet	**223.39**	**282.12**
Non-current portion of defined benefit obligation	164.43	200.88
Current portion of defined benefit obligation	58.96	81.24

Sensitivity analysis of benefit obligation (Leave encashment)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
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%	203.60	254.51
b) Impact due to decrease of 0.5%	213.27	266.52
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%	213.22	266.48
b) Impact due to decrease of 0.5%	203.59	254.49
c)Impact of change in withdrawal rate		
Present value of obligation at the end of the year		
a) Withdrawal rate increase of 10%	208.04	260.30
b) Withdrawal rate decrease 10%	208.61	260.42
d)Impact of change in mortality rate		
Present value of obligation at the end of the year		
a) Impact due to increase of 10%	208.32	260.37
b) Impact due to decrease of 10%	208.30	260.36

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

Maturity profile of defined benefit obligation

Particulars	As at 31st March 2021	As at 31st March 2020
Projected benefit obligation	223.39	282.12

Pay-out analysis

Particulars	As at 31st March 2021	As at 31st March 2020
1st year	46.99	59.48
2nd year	31.18	35.77
3rd year	25.31	35.51
4th year	22.58	28.56
5th year	24.08	25.83
Next 5 year pay-out (6-10 year)	73.88	97.63

51 Leases

I) Company as lessee:

The Company has taken hotel property under operating lease under non-cancellable operating leases. The Company has recognised management fees/ rent expenses of Rs. 132.65 lakhs during the year (Previous Year Rs. 395.05 lakhs) which is contingent in nature.

Note:

a) 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 116 - 'Leases' are not quantifiable with respect to such arrangements as at 31st March 2021.

b) For depreciation and carrying value of right of use asset, refer table below:

ROU asset	Carrying value as at year ended 31st March 2021	Depreciation for the year
Land & building	420.25	14.30

ROU asset	Carrying value as at year ended 31st March 2020	Depreciation for the year
Land & building	434.55	14.34

c) **Disclosure with respect to lease under Ind AS-116 Leases:**

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Interest expense on lease liabilities	25.89	24.95
Lease expenses in case of short term leases	-	-
Lease expenses in case of low value leases (other than short term as disclosed above)	-	-
Lease expenses debited to lease liabilities	24.66	24.47
Total cash outflow for leases [incl. short term & low value leases]	24.66	24.47
Additions to ROU assets	-	112.61
Variable lease payments not considered in measurement of lease liabilities	132.65	395.05
Income from subleasing ROU assets	-	-

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

II) Where the Company is a lessor

The Company has given shops, office premises and hotel property under operating lease under non-cancellable operating leases. The Company had recognised management fees or royalty income of Rs. 127.82 lakhs (Previous year Rs. 212.75 lakhs). Maturity analysis of minimum lease income (undiscounted and excluding variable lease income) for above lease arrangement are as follows:

Particulars	As at 31st March 2021	As at 31st March 2020
Not later than one year	110.37	138.49
Later than one year and not later than five years	31.70	159.75
Later than five years	2.62	-
	144.69	**298.24**

Total contingent rent income (in the form of management or royalty fees) recognised is Rs. 19.20 lakhs (Previous year Rs. 9.13 lakhs).

Note:

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 116 - 'Leases' are not quantifiable with respect to such arrangement as at 31st March 2021 and as at 31st March 2020.

52 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 47 for corporate guarantee given and note 10 for investment in securities:

Name of the entity	As at 31st March 2021		As at 31st March 2020	
	Maximum amount outstanding	Balance outstanding	Maximum amount outstanding	Balance outstanding
Wholly owned subsidiaries				
Orchid Hotels Pune Private Limited	19,646.40	19,646.40	19,646.40	19,646.40
Mahodadhi Palace Private Limited	418.74	418.74	418.74	418.74

53 Note on statement of cash flows

i) The aggregate amount of inflow on account of direct taxes paid is Rs. 144.92 lakhs (previous year outflow of Rs. 17.78 lakhs) net of paid.

ii) Changes in financing liabilities arising from cash and non-cash changes:

Particulars	Opening	Cash Inflows / (outflows)	Non-cash changes		Closing
			Others	Interest accruals	
For the year ended 31st March 2021					
Borrowings (including interest dues)	25,603.65	650.22	-	3,422.22	29,676.09
Lease liabilities	113.09	(24.66)	-	25.89	114.32
For the year ended 31st March 2020					
Borrowings (including interest dues)	30,694.78	(5,625.16)	(2,369.28)	2,903.32	25,603.66
Lease liabilities	112.61	(24.47)	-	24.95	113.09

iii) Breakup of cash and cash equivalent is as given below:

Particulars	As at 31st March 2021	As at 31st March 2020
Cash and cash equivalent as per note 19	659.19	252.82
Less: Bank balance - book overdraft as per note 35 (net of movement)	-	266.26
Less: Fixed deposits not considered as cash and cash equivalent	-	(61.64)
Net cash and cash equivalent	659.19	48.20
Less: Cash and cash equivalent shown under financing activity	-	-
Net cash and cash equivalent as disclosed in cash flow statement above	**659.19**	**48.20**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

54 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 2021 and 31st March 2020.

55 Going concern assumption

As per the standalone financial statements, Company's accumulated losses are in excess of its paid up capital and reserves as at 31st March 2021 and its current liabilities are significantly greater than the current assets as on 31st March 2021 and 31st March 2020. Further, in respect of loans, there are non-payment of stipulated instalments comprising of principal and interest. In the opinion of the management, considering management's action to mitigate the impact of COVID-19 as described in note 55 of the Statement which is also demonstrated through positive earning before interest, taxes and depreciation (EBITDA), restructuring which are approved by the lenders and management's request for seeking extension of the loan dues as stated in note 27.4(d), the future business prospects from prime hotel properties situated nearby domestic and international airports in Mumbai, the fact that the fair values of the assets of the Company are significantly higher than the borrowings/debts and that the Company has been exploring possibilities to divest/liquidate some of its properties, these standalone financial statements 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.

56 COVID-19 impact

The business has been severely impacted during the year on account of COVID-19. The Company expects recovery in business to be driven by domestic and international leisure and business travel as the normalcy restores. On account of above, the Company has carried out impairment assessment for the carrying value of property, plant & equipment, right of use asset, intangible assets, trade receivables, inventories and other assets based on the internal and external information upto the date of approval of these financial results including potential impact of COVID-19. Based on such assessment, in the opinion of management no further provision is required to be made as the Company expects to recover the carrying amounts of all the assets. Further, the Company have requested its lenders for extension of payment of dues in view of the challenges faced on account of COVID-19. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to monitor the future economic conditions and assess its impact on financial statements.

57 In the previous year, Company's one hotel property in Orissa was affected due to 'Cyclone Fani'. Net block of assets destroyed was Rs. Nil. During the current year final claim has been settled by the insurance company and consequently, amount of Rs. 373.17 lakhs has been accounted as revenue in the current year.

58 Financial instruments - Accounting classifications & fair value measurement

(a) Financial instruments by category

Sr. No.	Particulars	31st March 2021			31st March 2020		
		Amortised Cost	FVTOCI	FVTPL	Amortised Cost	FVTOCI	FVTPL
A	**Financial assets**						
(i)	Non-current investments	-	-	19.66	-	-	15.32
(ii)	Non-current loans	2,057.79	-	-	1,955.56	-	-
(iii)	Other non-current financial assets	5.51	-	-	6.52	-	-
(iv)	Trade receivables (net)	607.55	-	-	987.12	-	-
(v)	Cash and cash equivalents	659.19	-	-	252.82	-	-
(vi)	Other bank balances	57.68			67.86		
(vii)	Other current financial assets	22.90	-	-	20.53	-	-
(viii)	Investments	-	-	5.28	-	-	3.81
(ix)	Loans	71.95	-	-	13.52	-	-
	Total financial assets	**3,482.57**	**-**	**24.94**	**3,303.93**	**-**	**19.13**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

Sr. No.	Particulars	31st March 2021			31st March 2020		
		Amortised Cost	FVTOCI	FVTPL	Amortised Cost	FVTOCI	FVTPL
B	**Financial liabilities**						
(i)	Borrowings- non-current	4,480.79	-	-	18,684.68	-	-
(ii)	Lease liabilities - non-current	100.21	-	-	96.52	-	-
(iii)	Other non-current financial liabilities	107.96	-	-	119.86	-	-
(iv)	Trade payables	2,269.41	-	-	2,529.24	-	-
(v)	Lease liabilities - current	14.11	-	-	16.57	-	-
(vi)	Other current financial liabilities	26,961.48	-	-	9,350.99	-	-
	Total financial liabilities	**33,933.96**	**-**	**-**	**30,797.86**	**-**	**-**

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, 2021 (Previous year: Rs.9,864.74 lakhs) as these are valued at cost in accordance with Ind AS 27 - 'Separate Financial Statement'.

(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, Borrowings, Financial liabilities, Trade payables, Current lease liabilities, Other current financial liabilities etc., 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 2021		31st March 2020	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets					
Non-current investments	Level 1	0.03	0.03	0.02	0.02
Non-current investments	Level 2	19.63	19.63	15.30	15.30
Current investments	Level 1	5.28	5.28	3.81	3.81
Total financial assets		**24.94**	**24.94**	**19.13**	**19.13**

Notes:

(i) The Company has not disclosed the fair value of financial instruments such as trade receivables, trade payables, short term loans, deposits, borrowings etc. because their carrying amounts are a reasonable approximation 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, 2021 and March 31, 2020.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

(e) Financial / bank guarantee contracts

Particulars	As at 31st March 2021	As at 31st March 2020
(a) Corporate guarantee given to a bank in respect of credit facilities availed by Subsidiary Company	21,500.00	21,500.00
(b) Corporate guarantee given to a bank in respect of credit facilities availed by Joint Venture Company	1,000.00	1,000.00
(c) Counter guarantee issued by the Company to secure bank guarantee obtained by the Company	14.00	14.00

In respect of (a) above, fair value of financial guarantee contract is Rs. Nil for the reasons stated in note 2.4(x) and note 10.1

59 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 analyse 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 2021	31st March 2020
Balance at the beginning	1,414.09	1,461.96
Less: Utilized	8.65	13.71
	1,405.44	1,448.25
Add/(Less): Provision for ECL made in the year / (written back)	100.61	(34.16)
Balance at the year end	**1,506.05**	**1,414.09**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

(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. The Company is also taking the various measures to overcome the challenges posed by the COVID-19 pandemic as explained in note 55 and 56.

(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 2021				
Borrowings	-	4,480.79	-	4,480.79
Lease liabilities	14.11	36.17	64.04	114.32
Trade payables	2,269.41	-	-	2,269.41
Other financial liabilities	82.01	-	25.95	107.96
Other current financial liabilities	26,961.48	-	-	26,961.48
As at 31st March 2020				
Borrowings	-	18,684.68	-	18,684.68
Lease liabilities	16.57	43.95	52.57	113.09
Trade payables	2,529.24	-	-	2,529.24
Other financial liabilities	96.69	-	23.17	119.86
Other current financial liabilities	9,350.99	-	-	9,350.99

(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 optimizing 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. 3,558.79 lakhs as at 31st March 2021 (as at 31st March 2020 Rs. 3,581.90 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.

(ii) **Foreign Currency Risk**

The pre dominant currency of the Company's revenue and operating cash flows is Indian Rupees (INR). Company 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 Company.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

60 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. Breaches in meeting the financial covenants would permit the lenders to immediately call loans and borrowings. Based on the loan extentions and also the verbal / in-principle approvals received during the year, the event of default is not triggered. To manage the capital, the management has requested the lenders for extention of the loan dues and also exploring possibilities to divest/liquidate some of its properties. Also refer note 55 and 56.

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's total Debt to Equity are as follows, the necessary actions for its improvement are being taken by the Company:

Particulars	As at 31st March 2021	As at 31st March 2020
Total debt*	25,702.88	24,574.55
Total capital (total equity shareholder's fund)	(1,875.98)	847.06
Net debt to equity ratio	NA	29.01

* Total debt = Non-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: 29th June, 2021

For and on behalf of the Board of Directors

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

Ramnath P. Sarang
Director
(DIN : 02544807)

Smita Nanda
Chief Financial Officer

Hemal Sagalia
Company Secretary

Place: Mumbai
Date: 29th June, 2021

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, 2021, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows 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 Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, of the state of affairs of the Group as at 31st March 2021, and its consolidated profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis of qualified opinion

With respect to one of the subsidiaries (Orchid Hotels Pune Private Limited) reference is invited to note 36.1(a) of notes to the consolidated financial statements. Vide agreement dated 24th December 2018, International Asset Reconstruction Company Private Limited (IARC) acquired the loan from M/s Asset Reconstruction Company India Limited (ARCIL) [lender to whom loan was assigned by ICICI Bank in earlier years] for an aggregate amount of Rs. 13,500.00 lakhs. As per the books of the company, total outstanding towards this loan is Rs. 18,833.99 lakhs (including interest liability accounted in books upto 30th September, 2013). The interest amount from 1st October, 2013 till 31st March, 2021 has not been provided in the books nor has the same been quantified. Non-provision of interest is not in compliance with the accounting treatment as prescribed under Ind AS 23 Borrowing Cost. As per the legal opinion obtained by the management, no further liability is required to be accounted now considering the terms of settlement arrangement and pending execution of the definitive agreement (the modalities of which are being worked out).

Had the provision been made, borrowing cost and loss for the year ended 31st March, 2021 and negative net worth as at 31st March, 2021 would increase by the amount of interest for the period 1st October, 2013 to 31st March, 2021 which has not been provided as per the management's view mentioned above.

Our opinion was qualified in our independent auditor's report for financial year 2019-2020 dated 30th July, 2020 and financial year 2018-2019 dated 27th May 2019 also.

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 and joint venture 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.

Material uncertainty related to going concern

Reference is invited to note 56(i), 56(ii) and 56(iii) of the consolidated financial statements, which indicates that there, is material uncertainty related to continuity as going concern of the Holding Company, OHPPL (subsidiary company), MPPL (subsidiary company) respectively and note 56(iv) 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 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, improve the cash flows, management's request for seeking extension of the loan dues where applicable (also refer para (b) of emphasis of matters section below), management's action to mitigate the impact of COVID-19 as described in note 59 of the consolidated financial statements and also fair value of the assets of Holding Company are significantly higher than the borrowing/debts and that the Holding Company is exploring possibilities to divest / liquidate some of its properties. In view of the above and in the opinion of management, the consolidated financial statements 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 auditor's report for the financial year 2019-2020 dated 30th July, 2020 and financial year 2018-2019 dated 27th May 2019. Our opinion was not modified in respect of above matter in the previous years also.

Emphasis of matters

(a) Attention is invited to note 36.2 of the consolidated financial statements in respect of dispute over lease rent levied by Director of Sports, pertaining to the period from 1st November, 2014 to 31st March, 2021. The subsidiary company (OHPPL) has accounted for the liability amounting to Rs. 1,535.79 lakhs; which is after making the part payment of Rs. 129.83 lakhs in quarter ended 30th September 2020.; Further, during the previous year, the Hon'ble Bombay High Court had appointed sole arbitrator to resolve the disputes. Interest / penalty, if any, will be accounted in the year in which dispute will be resolved. Since full provision has been made, the same has not been disclosed as contingent liability.

(b) Attention is invited to note 28.4(d) of the consolidated financial statements. In respect of Holding Company, as on 31st March 2021, there are non-payment of stipulated instalments comprising of principal and interest due to the lenders. The cumulative unpaid instalments amounts to Rs. 9,679.96 lakhs. Considering COVID-19 pandemic, the Holding Company had sent signed letters by e-mails in the month of March 2020 and June 2020 to various lenders (except Kotak Bank) and had sent an e-mail in September 2020 to Kotak Bank for extension of the dues upto December 2020. In-principle approval was received in writing from one of the lenders for extension of three EMI's amounting to Rs. 143 lakhs each. In respect of further restructuring proposals submitted by the Holding Company with certain lenders, in-principle approval was received in writing from two lenders and the Kotak Bank restructured the outstanding loan whereby it sanctioned Funded Interest Term Loan (FITL) and additional finance by way of Working Capital Term Loan (WCTL) of Rs. 360 lakhs under Emergency Credit Line Guarantee Scheme 2.0. The Holding Company has executed necessary loan documents with Kotak Bank after the close of the financial year. In respect of balance three lenders, though written confirmation are awaited, all lenders have verbally agreed for the extension whenever sought. In view of the above, in the opinion of the management, event of default is not triggered and therefore, there is no other accounting implications and reclassification of non-current borrowings to current liabilities is not required as at 31st March 2021. Considering the above, in the opinion of the Holding Company's management, no intimation is required to be given to the stock exchange for unpaid installments as at 31st March 2021 as required by SEBI circular dated 21st November 2019. Impact if any, will be considered in the period in which the Holding Company and the lenders agree on the revised terms.

(c) Attention is invited to note 58 of the consolidated financial statements that the subsidiary company (OHPPL), is in the process of appointing Company Secretary (key managerial personnel) as required by Section 203 of the Companies Act, 2013.

(d) Attention is invited to note 59 of the consolidated financial statements, in respect of the possible effect of uncertainties relating to COVID-19 pandemic on the Group and joint venture's financial performance as assessed by the management.

(e) Attention is invited to note 16.2 of the consolidated financial statements in respect of payment of unsecured advance by the subsidiary company (OHPPL) of Rs. 600 lakhs to Joint Developer for cost to be incurred in respect of joint development agreement entered in September 2019 to develop and commercially exploit certain properties over the land on which the OHPPL holds leasehold rights. As per the terms agreed between the joint developer and the subsidiary company, the said amount would be utilised for obtaining / seeking the necessary approvals for the development of above-mentioned property. Further, as per confirmation received as at 31st March 2021 from the joint developer, no cost has been incurred against the above advance.

Our opinion is not modified in respect of the above matters. Further, matter stated in (a) to (d) above were also reported in our independent auditor's report for the financial year 2019-2020 dated 30th July 2020 and financial year 2018-2019 dated 27th May 2019 and our opinion was not modified in the previous years 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
Adequacy of provision for impairment of property, plant and equipment (PPE) in subsidiary company - We refer to note 5.4 & note 5.5 of the consolidated financial statements. The subsidiary company (Orchid Hotels Pune Private Limited) had provided for impairment loss on leasehold building aggregating to Rs. 21,932.29 lakhs. - The management evaluates the indicators of impairment of the said PPE by reference to the requirements under Ind AS 36 Impairment of Assets. The recoverable amounts of the above PPE are estimated based on expected business and earnings forecasts and key assumptions including those related to discount and long-term growth rates. - The management has concluded that the recoverable amount of the said PPE is higher than its carrying amount (net of impairment) and accordingly, no further impairment provision has been recorded as at 31 March, 2021. Considering the materiality of the amount involved and significant degree of judgement and subjectivity involved in the estimates and assumptions used in determining the cash flows used in the impairment evaluation, we have determined impairment of such PPE as a key audit matter.	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; - Appraised 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. - Assessed the adequacy and compliance of the disclosures made by the management in the note 5.4 & note 5.5 of the consolidated financial statements.

Other matters

Due to COVID-19 outbreak and related lockdown in various states where the properties of the Group and joint venture are located, we could not be present at such properties during the physical verification of inventories carried out by the management. We have relied on the same and performed alternate procedures to audit the existence of inventory as at year end.

Our opinion is not modified in respect of the matter covered in above para.

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

1. 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 aforesaid 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 Statement of Cash Flows 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) The matters described in 'Basis of Qualified Opinion' paragraph, 'Material Uncertainty related to Going Concern' paragraph and para (a), (b) and (d) of 'Emphasis of Matter' paragraph, in our opinion may have an adverse impact on the functioning of the Group and JV.

   f) On the basis of the written representations received from the directors of the Holding Company, subsidiaries and joint venture entity as on 31st March 2021 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 2021 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 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, as stated in note 49.3(c) of the consolidated financial statements and considering the subsequent recovery of excess remuneration, the Company has complied with the requirements of managerial remuneration as prescribed in section 197 of the Act. Subsidiary companies and one joint venture company 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 36.2, 45.1, 45.2, 47.3 and 47.5.

      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
UDIN: 21037381AAAACU5472

Place: Mumbai
Date: 29th June, 2021

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 2020, 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 (‘JV’) which are companies incorporated in India, as of that date.

Operating effectiveness of processes Information Technology and General Controls, Direct and Indirect Taxation, Book Closure, Treasury and Property, Plant & Equipment’s, for current year have been tested and complied by the internal auditors based on discussion with concerned process owners, past experience and verification of details, wherever possible. Due to the pandemic situation and limited access, auditors were unable to conduct full-fledged review. In this respect, we have performed alternate procedures for the purpose of our assertions and opinion.

In our opinion, read with our comments above, 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 2021, 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 (‘the Guidance Note’) issued by the Institute of Chartered Accountants of India (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 Holding 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 issued by the 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 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 Holding 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
UDIN: 21037381AAAACU5472

Place: Mumbai
Date: 29th June, 2021

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2021

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

	Particulars	Note no.	As at 31st March 2021	As at 31st March 2020
	ASSETS			
A	**Non-current assets**			
	a) Property, plant and equipment	5	32,343.28	33,974.70
	b) Capital work-in-progress	6	628.04	521.22
	c) Right of use assets	7	2,120.06	2,170.94
	d) Investment property	8	1,016.28	1,058.19
	e) Other intangible assets	9	88.45	88.44
	f) Intangible assets under development	10	0.00	0.00
	g) Financial assets			
	i) Investments in joint venture	11	41.33	108.51
	ii) Investments	12	19.66	15.32
	iii) Loans	13	2,082.31	2,005.50
	iv) Other financial assets	14	25.21	27.64
	h) Income tax assets (net)	15	1,132.95	991.37
	i) Other non-current assets	16	4,097.45	3,667.82
	(A)		**43,595.02**	**44,629.65**
B	**Current assets**			
	a) Inventories	17	187.08	314.17
	b) Financial assets			
	i) Investments	18	5.28	3.81
	ii) Trade receivables	19	567.54	1,006.52
	iii) Cash and bank balances			
	- Cash and cash equivalents	20	1,346.85	1,535.19
	- Other bank balances	21	103.78	108.96
	iv) Loans	22	71.95	13.61
	v) Other financial assets	23	29.61	70.90
	c) Income tax assets (net)	24	-	316.64
	d) Other current assets	25	559.82	569.93
	(B)		**2,871.91**	**3,939.73**
	TOTAL (A + B)		**46,466.93**	**48,569.38**
	EQUITY AND LIABILITIES			
A	**Equity**			
	a) Equity share capital	26	2,417.26	2,417.26
	b) Other equity	27	(18,291.89)	(14,716.35)
	(A)		**(15,874.63)**	**(12,299.09)**
	Liabilities			
B	**Non-current liabilities**			
	a) Financial liabilities			
	i) Borrowings	28	6,419.49	20,622.70
	ii) Lease liabilities	29	1,697.05	1,666.52
	iii) Other financial liabilities	30	107.96	119.86
	b) Provisions	31	446.91	505.87
	c) Deferred tax liabilities (net)	32	1,499.90	2,408.40
	b) Other non-current liabilities	33	378.84	453.32
	(B)		**10,550.15**	**25,776.67**
C	**Current liabilities**			
	a) Financial liabilities			
	i) Trade payables	34		
	- Amount due to Micro and small enterprises		365.59	334.73
	- Amount due to other than Micro and small enterprises		2,042.98	2,399.22
	ii) Lease liabilities	35	197.58	223.22
	iii) Other financial liabilities	36	47,503.27	29,870.28
	b) Provisions	37	107.56	143.36
	c) Other current liabilities	38	1,574.43	2,120.93
	d) Current tax liabilities (net)	39	-	0.06
	(C)		**51,791.41**	**35,091.80**
	TOTAL (A+B+C)		**46,466.93**	**48,569.38**
	Significant accounting policies and notes to consolidated financial statements	**1 to 63**		

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: 29th June, 2021

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

Ramnath P. Sarang
Director
(DIN : 02544807)

Smita Nanda
Chief Financial Officer

Hemal Sagalia
Company Secretary

Place: Mumbai
Date: 29th June, 2021

KAMAT HOTELS (INDIA) LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

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

	Particulars	Note no.	Year ended 31st March 2021	Year ended 31st March 2020
A	**Income**			
	Revenue from operations	40	6,599.35	22,198.07
	Other income	41	150.04	141.43
	Total income (A)		**6,749.39**	**22,339.50**
B	**Expenses**			
	Consumption of food and beverages	42	670.82	2,037.49
	Employee benefits expense	43	1,533.10	5,694.47
	Finance costs	44	4,177.85	3,730.63
	Depreciation and amortisation expense	5, 7, 8 & 9	1,754.41	1,815.41
	Other expenses	45	3,510.07	8,128.18
	Total expenses (B)		**11,646.25**	**21,406.18**
C	**(Loss) / profit before share of (loss) of joint venture, exceptional items & tax (A - B) (C)**		**(4,896.86)**	**933.32**
D	Share of (loss) from joint venture accounted for using equity method		(67.18)	(29.10)
E	**(Loss) / profit before exceptional items & tax (C + D) (E)**		**(4,964.04)**	**904.22**
F	Exceptional item - Income (net)	46	373.17	1,523.21
G	**(Loss) / profit before tax (E - F)**		**(4,590.87)**	**2,427.43**
H	**Tax expense:**			
	- Current tax	15	-	297.97
	- (Excess) / short provision for Current tax / deferred tax (net)		(10.85)	13.39
	- Deferred tax (credit)	32	(950.63)	(361.41)
	Total tax expense (E)		**(961.48)**	**(50.05)**
I	**(Loss) / profit after tax (G - H) (I)**		**(3,629.39)**	**2,477.48**
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		65.34	11.22
	(ii) Income taxes effect on above		(11.49)	(3.90)
	b) (i) Items that will be reclassified subsequently to Statement of Profit and Loss		-	-
	(ii) Income taxes effect on above		-	-
	Total other comprehensive income for the year (J)		**53.85**	**7.32**
K	**Total comprehensive (loss) / income for the year (I + J)**		**(3,575.54)**	**2,484.80**
L	**Total comprehensive income for the period / year attributable to:**			
	a) To owners of parent		**(3,575.54)**	**2,484.80**
	b) To non controlling interest		**-**	**-**
M	**(Loss) / profit for the year attributable to:**			
	a) To owners of parent		**(3,629.39)**	**2,477.48**
	b) To non controlling interest		**-**	**-**
	Other comprehensive income attributable to:			
	a) To owners of parent		**53.85**	**7.32**
	b) To non controlling interest			**-**
	Basic and diluted (loss) / earnings per share (Rs.)	51	(15.39)	10.50
	Equity shares [Face value of Rs. 10 each]			
	Significant accounting policies and notes to consolidated financial statements	**1 to 63**		

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: 29th June, 2021

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

Ramnath P. Sarang
Director
(DIN : 02544807)

Smita Nanda
Chief Financial Officer

Hemal Sagalia
Company Secretary

Place: Mumbai
Date: 29th June, 2021

Consolidated statement of changes in equity for the year ended 31st March 2021

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

(a) Equity share capital

Particulars	As at 31st March 2021	As at 31st March 2020
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 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, 2019	**13.87**	**266.50**	**14,986.74**	**280.06**	**(32,777.31)**	**28.99**	**(17,201.15)**
Profit for the year	-	-	-	-	2,477.48	-	2,477.48
Other comprehensive income for the year	-	-	-	-	-	7.32	7.32
Balance as at 31st March 2020	**13.87**	**266.50**	**14,986.74**	**280.06**	**(30,299.83)**	**36.31**	**(14,716.35)**
(Loss) for the year	-	-	-	-	(3,629.39)	-	(3,629.39)
Other comprehensive income for the year	-	-	-	-	-	53.85	53.85
Balance as at 31st March 2021	**13.87**	**266.50**	**14,986.74**	**280.06**	**(33,929.22)**	**90.16**	**(18,291.89)**
(Refer note 27)							
*Other comprehensive income							

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: 29th June, 2021

For and on behalf of the Board of Directors

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

Ramnath P. Sarang
Director
(DIN : 02544807)

Smita Nanda
Chief Financial Officer

Hemal Sagalia
Company Secretary

Place: Mumbai
Date: 29th June, 2021

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2021

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

	Particulars	Year ended 31st March 2021	Year ended 31st March 2020
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	(Loss) / profit before taxes	**(4,590.87)**	**2,427.43**
	Adjustments for:		
	Finance cost	4,177.85	3,730.62
	Interest income	(68.47)	(58.57)
	Depreciation and amortization expense	1,754.42	1,815.41
	Bad debts and advances written off	8.65	13.71
	Provision for / (Reversal of) expected credit loss and doubtful debts / advances	86.91	(75.11)
	Provision for impairment in investment in subsidiary (exceptional item)	-	532.20
	Provision for impairment in investment in joint venture (exceptional item)	-	313.87
	Provision for doubtful custom duty receivable	-	45.00
	Loss on account of cyclone	5.97	-
	(Profit) / loss on sale / discard of property, plant and equipment	(25.37)	122.23
	Share of loss of joint venture (accounted as per equity method)	67.18	29.10
	Rent income	(44.09)	(56.28)
	Insurance claim - (exceptional item)	(373.17)	-
	(Gain) on fair value of investments	(5.81)	(2.87)
	Reduction in liability towards long term borrowings (exceptional item)	-	(2,369.28)
	Dividend income	-	(0.43)
	Operating profit before working capital changes	**993.20**	**6,467.03**
	Movements in working capital : [Including Current and Non-current]		
	Decrease in loans, trade receivable and other assets	375.42	320.88
	Decrease in inventories	127.09	22.18
	(Decrease) / Increase in trade payable, other liabilities and provisions	(1,608.82)	661.21
		(113.11)	**7,471.30**
	Adjustment for:		
	Direct taxes refund / (paid) (after tax deducted at source)	214.22	(56.50)
	Net cash generated from operating activities…(A)	**101.11**	**7,414.80**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment (Including capital work in progress and capital advances)	(751.24)	(904.17)
	Sale of property, plant and equipment	43.23	2.50
	Insurance claim received	182.20	-
	Movement in long term loans and advances	(30.00)	(30.00)
	Repayment received of loans and advances given	30.00	30.00
	Rent income received	44.09	56.28
	Interest income	69.72	43.96
	Dividend income	-	0.43
	Decrease in bank balance [Current and non-current] (other than cash and cash equivalent)	5.18	6.80
		(406.82)	**(794.20)**
	Adjustment for:		
	Direct taxes (paid including tax deducted at source)	(4.96)	(4.80)
	Net cash (used in) / from investing activities… (B)	**(411.78)**	**(799.00)**

KAMAT HOTELS (INDIA) LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2021

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

	Particulars	Year ended 31st March 2021	Year ended 31st March 2020
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from long term borrowings	1,021.02	34.13
	Repayment of long term borrowings	(255.28)	(3,210.71)
	Interest paid (Including other borrowing cost)	(148.57)	(2,583.87)
	Payments of lease liabilities	(154.48)	(41.83)
	Net cash (used in) / from financing activities… (C)	**462.69**	**(5,802.28)**
	Net increase in cash and cash equivalents (A+ B+C)	**152.02**	**813.52**
	Cash and cash equivalents at beginning of the year (net of book overdraft)	1,194.83	381.31
	Cash and cash equivalents at end of the year	1,346.85	1,194.83
	Net increase in cash and cash equivalents	**152.02**	**813.52**

Note:

(i) Statement of cash flows has been prepared as per indirect under "indirect method" as set out in Ind AS 7 - "Cash Flow Statement".

(ii) Refer note 54 for other notes in relation to statement of cash flows

Significant accounting policies and notes to financial statements **1 to 63**

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: 29th June, 2021

For and on behalf of the Board of Directors

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

Ramnath P. Sarang
Director
(DIN : 02544807)

Smita Nanda
Chief Financial Officer

Hemal Sagalia
Company Secretary

Place: Mumbai
Date: 29th June, 2021

Notes on Consolidated financial statements for the year ended 31st March 2021

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 registered office of the Holding Company is located at 70 – C, Nehru Road, Near Santacruz Airport, Vile Parle (E), Mumbai – 400 099, India. Its shares are listed and traded on the Bombay Stock Exchange and National Stock Exchange in India. The Group and 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 2021 were approved and adopted by board of directors in their meeting held on 29th June 2021.

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 2020	As at 31st March 2019
	Subsidiary Companies		
1	Orchid Hotels Pune Private Limited ('OHPPL')	100%	100%
2	Kamat Restaurants (India) Private Limited ('KRIPL')	100%	100%
3	Fort Jadhavgadh Hotels Private Limited ('FJHPL')	100%	100%
4	Mahodadhi Palace Private Limited ('MPPL')	100%	100%
5	Orchid Hotel Eastern (India) Private Limited (Formerly known as Green Dot Restaurants Private Limited) ('OHEIPL')	100%	100%
	Jointly Controlled Entity		
6	Ilex Developers & Resorts Limited ('IDRL')	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 34.1(a)].

2.3. Basis of preparation and presentation

These consolidated financial statements have been prepared on the historical cost convention and on accrual basis except for the following assets and liabilities which have been measured at fair value:

i. Certain financial assets and liabilities (including derivative instruments);

ii. Defined benefit plans – plan assets;

The financial statements are in accordance with Division II of Schedule III to the Act, as applicable.

2.4. 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.

2.5. 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”.

2.6. 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 property, plant and equipment and based on such assessment (including offers received pursuant to action initiated by the lender) provision for impairment loss amounting to Rs. 532.20 lakhs has been recognized during the current year. Total amount of impairment loss recognized till 31st March 2020 including earlier year is Rs. 21,932.29 lakhs.

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, improve the cash flows, management's request for seeking extension of the loan dues where applicable, management's action to mitigate the impact of COVID-19 as described in note 59 of the consolidated financial statements and also fair value of the assets of Holding Company are significantly higher than the borrowing/debts. 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.

ix) Impairment of investment in joint venture

The carrying amount of equity accounted investments are tested for impairment. In accordance with Ind AS 36 – Impairment of assets, the management of the joint venture (JV) company has reviewed the recoverable value in respect of net block of property, plant & equipment as on 31st March 2021. Based on such assessment, management of holding company also has carried out assessment of recoverable value of the investment in JV in the consolidated financial statements. Based on such assessment, provision for impairment loss against investment is not required for the year ended 31st March 2021 as against the impairment provision of Rs. 313.87 lakhs recognized during the year ended 31st March 2020. The same was disclosed as exceptional item (Refer note 46.2).

x) Corporate guarantee

The Holding Company has given corporate guarantee on behalf of joint venture entity towards loan facilities from banks. This joint venture entity has also given corporate guarantee on behalf of the Holding Company for loan facilities taken by the Holding Company. 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. (Also refer note 61(e))

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 consolidated 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 (Tangible Assets) 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 lives are 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.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under "Other non-current assets". 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.

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

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.

(ix) 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 benefit and 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

Where the Company is lessee

The Group has applied Ind AS 116 - “Leases” from 1st April, 2019 using the modified retrospective approach.

Right-of use assets were measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the Consolidated balance sheet as at 31st March, 2019.

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group and joint venture recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

At commencement or on modification of a contract that contains a lease component, the Group and allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprise of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date net of lease incentive received, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the entity’s incremental borrowing rate. The lease liability is measured at amortised cost using the effective interest method.

Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

Where the Group is the lessor

At the inception of the lease, the Group classifies each of its leases as either a finance lease or an operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

The Group has given certain properties on lease where it has substantially retained the risks and rewards of ownership and hence these are classified as operating leases. These assets given on operating lease are included in PPE. Lease income is recognized in the Statement of profit and loss as per contractual rental unless another systematic basis is more representative of the time pattern in which the benefit derived from the leased asset is diminished. Costs including depreciation are recognized as an expense in the Statement of profit and loss. Initial direct costs are recognized immediately in Statement of profit and loss.

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. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

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 when an entity included in the 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. Non-Current assets held for sale and discontinued operations

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits and financial assets which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

Non-current assets and liabilities classified as held for sale are presented separately from the other assets and liabilities in the balance sheet.

3.18. 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.

3.19. 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.

3.19.1.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 tobe 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.

3.19.2.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 Groupreclassifies 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 standard issued and existing standards modified

a. The Ministry of Corporate Affairs (MCA) has notified amendments to 22 Ind ASs vide notification dated 18th June 2021 applicable from immediate effect.

(a) Ind AS 116 Leases

(b) Ind AS 109 Financial Instruments

(c) Ind AS 101 Presentation of Financial Statements

(d) Ind AS 102 Share-Based Payment

(e) Ind AS 103 Business Combinations

(f) Ind AS 104 Insurance Contracts

(g) Ind AS 105 Non-current assets held for sale and discontinued operations

(h) Ind AS 106 Exploration for and evaluation of mineral resources

(i) Ind AS 107 Financial Instruments: Disclosure

(j) Ind AS 111 Joint Arrangements

(k) Ind AS 114 Regulatory Deferral Accounts

(l) Ind AS 115 Revenue from Contracts with Customers

(m) Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors

(n) Ind AS 16 Property, Plant and Equipment

(o) Ind AS 34 Interim Financial Reporting

(p) Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets

(q) Ind AS 38 Intangible Assets

Key highlights of the amendments are as follows:

- Amendment with respect to interest rate benchmark reforms have been made in Ind AS 107, Ind AS 109, Ind AS 104 and Ind AS 116 etc.
- Lessees now permitted to apply the practical expedient to rent concessions w.r.t. reduced lease payments which are due on or before 30th June 2022 (earlier it was till 30 June 2021).
- The bare text of standards has been aligned with 'the Conceptual Framework of Financial reporting under Ind ASs, issued by the ICAI'.

The Group and joint venture is in process of evaluating the impact of amendment's in above Ind ASs. The amendments in Ind ASs (Ind AS 1, Ind 12, Ind AS 27, Ind AS 28 and Ind AS 40) are minor corrections having no consequential impact.

KAMAT HOTELS (INDIA) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

5	Property, plant and equipment	Freehold Land	Leasehold Land (refer note 5.3)	Building	Leasehold Improvements (refer note 5.2, 5.4 & 5.5)	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Total
	Gross carrying value as at 1st April, 2019	**2,561.08**	**361.82**	**6,511.36**	**49,608.35**	**4,424.99**	**402.72**	**29.41**	**94.36**	**63,994.09**
	Additions during the year 2019-2020		-	3.94	319.39	201.95	56.04	9.08	15.11	605.51
	Deletions during the year 2019-2020	-	-	-	414.24	34.98	7.52	1.67	1.26	459.67
	Reclassified on account of adoption of Ind AS 116 (refer note 5.3)	-	361.82							361.82
	Balance as at 31st March, 2020	**2,561.08**	**-**	**6,515.30**	**49,513.50**	**4,591.96**	**451.24**	**36.82**	**108.21**	**63,778.11**
	Additions during the year 2020-2021	-	-	-	0.60	15.27	17.22	-	1.55	34.64
	Deletions during the year 2020-2021	-	-	-	-	0.03	0.86	-	0.42	1.31
	Balance as at 31st March, 2021	**2,561.08**	**-**	**6,515.30**	**49,514.10**	**4,607.20**	**467.60**	**36.82**	**109.34**	**63,811.44**
	Accumulated Depreciation									
	Balance as at 1st April, 2019 (Refer note 5.4)	**-**	**25.54**	**418.40**	**25,288.77**	**1,692.31**	**224.93**	**9.44**	**42.97**	**27,702.36**
	Reclassified on account of adoption of Ind AS 116 (refer note 5.3)		25.54							25.54
	Additions during the year 2019-2020	-	-	132.32	1,151.10	382.30	39.18	4.35	18.67	1,727.92
	Deletions during the year 2019-2020	-	-	-	113.83	11.94	6.34	0.48	0.93	133.52
	Impairment loss				532.20					532.20
	Balance as at 31st March, 2020	**-**	**-**	**550.72**	**26,858.24**	**2,062.67**	**257.77**	**13.31**	**60.71**	**29,803.42**
	Additions during the year 2020-2021	-	-	131.99	1,132.04	352.85	27.71	4.73	16.56	1,665.88
	Deletions during the year 2020-2021	-	-	-	-	0.02	0.78	-	0.34	1.14
	Balance as at 31st March, 2021	**-**	**-**	**682.71**	**27,990.28**	**2,415.50**	**284.70**	**18.04**	**76.93**	**31,468.16**
	Net carrying amount									
	Balance as at 31st March, 2021	**2,561.08**	**-**	**5,832.59**	**21,523.82**	**2,191.70**	**182.90**	**18.78**	**32.41**	**32,343.28**
	Balance as at 31st March, 2020	2,561.08	-	5,964.58	22,655.26	2,529.29	193.47	23.51	47.50	33,974.70

Notes:

5.1 For details of assets given as security, refer note 28.1.

5.2 The leasehold improvements are constructed on land taken under operating lease.

5.3 The deletions in gross carrying value and accumulated depreciation of leasehold land is on account of re-classification under Right of use assets w.e.f. 1st April, 2019 (Refer Note 7)

5.4 Accumulated depreciation of 'lease hold improvement' as at 31st March, 2019 is after impairment loss of Rs. 21,400.09 lakhs in respect of the subsidiary company (Orchid Hotels Pune Private Limited).

5.5 Based on management's assessment of net recoverable value of property, plant and equipment, the subsidiary company (Orchid Hotels Pune Private Limited) has provided for impairment loss of Rs. 532.20 lakhs in the previous year. Total provision for impairment loss till 31st March 2021 amounts to Rs. 21,932.29 lakhs.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

6	Capital work in progress	As at 31st March 2021	As at 31st March 2020
	Opening balance	521.22	27.34
	Add: Additions during the year	140.86	1121.55
	Less: Capitalised during the year	34.04	627.67
	Closing balance	**628.04**	**521.22**

7	Rights of use assets	Land and Building	Total
	Gross carrying value as at 1st April, 2019	**-**	**-**
	Additions during the year 2019-2020	1,887.48	1,887.48
	Reclassified on account of adoption of Ind AS 116	336.28	336.28
	Deletions during the year 2019-2020	1.81	1.81
	Balance as at 31st March, 2020	**2,221.95**	**2,221.95**
	Additions during the year 2020-2021		-
	Deletions during the year 2020-2021		-
	Balance as at 31st March, 2021	**2,221.95**	**2,221.95**
	Accumulated depreciation		
	Balance as at 1st April, 2019	**-**	**-**
	Additions during the year 2019-2020	51.01	51.01
	Deletions during the year 2019-2020	-	-
	Balance as at 31st March, 2020	**51.01**	**51.01**
	Additions during the year 2020-2021	50.88	50.88
	Deletions during the year 2020-2021	-	-
	Balance as at 31st March, 2021	**101.89**	**101.89**
	Net carrying amount		
	Balance as at 31st March, 2021	**2,120.06**	**2,120.06**
	Balance as at 31st March, 2020	2,170.94	2,170.94

8	Investment property	Freehold Land	Building	Building on leasehold land (Refer note 8.4)	Total
	Gross carrying value as at 1st April, 2019	**178.09**	**28.34**	**950.85**	**1,157.28**
	Additions during the year 2019-2020	-	-	-	-
	Deletions during the year 2019-2020	-	-	-	-
	Balance as at 31st March, 2020	**178.09**	**28.34**	**950.85**	**1,157.28**
	Additions during the year 2020-2021	**-**	**-**	**-**	-
	Deletions during the year 2020-2021	**-**	19.40	**-**	19.40
	Balance as at 31st March, 2021	**178.09**	**8.94**	**950.85**	**1,137.88**
	Accumulated depreciation		1.02	48.98	50.00
	Balance as at 1st April, 2019	**-**	**1.53**	**73.25**	**74.78**
	Additions during the year 2019-2020	-	0.52	23.79	24.31
	Deletions during the year 2019-2020	-	-	-	-
	Balance as at 31st March, 2020	**-**	**2.05**	**97.04**	**99.09**
	Additions during the year 2020-2021	**-**	**0.48**	**23.74**	24.22
	Deletions during the year 2020-2021	**-**	**1.71**	**-**	1.71
	Balance as at 31st March, 2021	**-**	**0.82**	**120.78**	**121.60**
	Net carrying amount				
	Balance as at 31st March, 2021	**178.09**	**8.12**	**830.07**	**1,016.28**
	Balance as at 31st March, 2020	178.09	26.29	853.81	1,058.19

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

8.1 Depreciation is provided on investment property based on useful life on Straight Line Method [Also refer note 3.4].

8.2 Cost of freehold land includes Rs.134.40 lakhs as at 31st March 2021 (Previous year: Rs. 134.40 lakhs) which is in the name of the 'Executive Chairman and managing director' of the Holding Company.

8.3 For details of assets given as security, refer note 28.1.

8.4 The leasehold improvements are constructed on land taken under operating lease.

8.5 Amount recognized in Statement of Profit and Loss for investment properties:

Particulars	31st March 2021	31st March 2020
Rental income derived from investment property (Refer note 8.6)	42.15	47.15
Direct operating expenses (including repairs and maintenance) generating rental income	17.39	18.56
Direct operating expenses (including repairs and maintenance) that did not generate rental income	2.21	2.96
Profit from leasing of investment properties before depreciation	**22.55**	**25.63**
Less: Depreciation expenses	23.74	24.31
(Loss) / profit from leasing of investment properties after depreciation	**(1.19)**	**1.32**

8.6 **Leasing arrangement**.

Certain investment properties are leased to tenants under cancellable/ non-cancellable operating leases with rentals payable monthly.

8.7 **Fair value**

Particulars	As at 31st March 2021	As at 31st March 2020
Fair value of investment properties	1,372.37	1,415.07

8.8 The Groups 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. The Group 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.

9

Other intangible assets	Software	Total
Gross carrying value as at 1st April, 2019	**96.97**	**96.97**
Additions during the year 2019-2020	22.16	22.16
Deletions during the year 2019-2020	-	-
Balance as at 31st March, 2020	**119.13**	**119.13**
Additions during the year 2020-2021	13.43	13.43
Deletions during the year 2020-2021	0.07	0.07
Balance as at 31st March, 2021	**132.49**	**132.49**
Accumulated depreciation		
Balance as at 1st April, 2019	**18.55**	**18.55**
Additions during the year 2019-2020	12.15	12.15
Deletions during the year 2019-2020	-	-
Balance as at 31st March, 2020	**30.70**	**30.70**
Additions during the year 2020-2021	13.41	13.41
Deletions during the year 2020-2021	0.07	0.07
Balance as at 31st March, 2021	**44.04**	**44.04**
Net carrying amount		
Balance as at 31st March, 2021	**88.45**	**88.45**
Balance as at 31st March, 2020	88.44	88.44

9.1 Software is other than internally generated software.

9.2 Balance useful life of intangible as at 31st March 2020 is 1 to 9 years (Previous year: 1 to 9 years).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

10	**Intangible asset under development**	**As at 31st March 2021**	**As at 31st March 2020**
	Opening balance	-	3.45
	Add: Additions during the year	-	2.60
	Less: Capitalised during the year	-	6.05
	Closing balance	**-**	**-**

11	**Investments accounted for using the equity method**	**As at 31st March 2021**	**As at 31st March 2020**
	Investments in Joint Venture		
	Ilex Developers and Resorts Limited 2,66,500 equity shares (Previous year 2,66,500) of Rs. 10 each	108.51	451.48
	(Less): Impairment in value of investment (Refer Note 11.1)	-	(313.87)
	(Less): Share in (loss) after tax	(67.18)	(29.10)
	Total	**41.33**	**108.51**
	Aggregate value of unquoted investment	41.33	422.38
	Aggregate amount of impairment in value of investments	-	313.87

11.1 The Holding company has made a strategic and long-term investment of Rs. 533.00 lakhs (As at 31st March 2020: Rs.533.00 lakhs) in the shares of Ilex Developers & Resorts Limited (Ilex), a 32.92% joint venture in earlier years. In accordance with Ind AS 36 – Impairment of assets, the management of the joint venture company has reviewed the recoverable value in respect of net block of property, plant & equipment as on 31st March 2021. Based on such assessment, management of holding company also has carried out assessment of recoverable value of the investment in Ilex in the consolidated financial statements. Based on such assessment, no provision for impairment loss against investment is required during the year. The group had considered impairment in the value of investment amounting to Rs. 313.87 lakhs in the previous year, representing 32.92% share.

12	**Investments**	**As at 31st March 2021**	**As at 31st March 2020**
	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	0.03	0.02
	Unquoted		
	The Satara Sahakari Bank Limited 10,010 equity shares (Previous year 10,010) of Rs. 50 each	19.63	15.30
	Total FVTPL investments	**19.66**	**15.32**
	Total	**19.66**	**15.32**
	Aggregate cost of quoted investments	0.03	0.03
	Aggregate amount of unquoted investments	19.63	15.30
	Market value of quoted investments	0.03	0.02
	Aggregate amount of impairment in value of investments	-	-

13	**Loans - non current** (Unsecured, considered good unless otherwise stated)	**As at 31st March 2021**	**As at 31st March 2020**
	Security deposits		
	- Related Party (Refer note 13.1 and 49)	1,919.27	1,818.01
	- Others	163.04	187.49
		2,082.31	2,005.50
	Inter corporate deposit (considered doubtful)	200.00	200.00
	Less: Impairment of advance given	200.00	200.00
		-	-
	Total	**2,082.31**	**2,005.50**

13.1 Holding Company has given interest free security deposit having carrying value of Rs. 8,000.00 lakhs as at 31st March 2021 (Previous year: Rs. 8,000.00 lakhs) for hotel property taken by the holding company to an entity in which some of the directors are director and member. This deposit has been fair valued under Ind AS 109 - Financial Instrument. Deferred lease asset arising out of the said fair valuation is being amortised on straight line basis. (Refer note 16).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

14

Other financial assets	As at 31st March 2021	As at 31st March 2020
Non-current		
Margin money in fixed deposits with banks (maturity more than 12 months) (Refer note 14.1 below)	25.21	27.64
Total	**25.21**	**27.64**

14.1 Fixed deposit is given as margin money for guarantee given by bank to government and other authorities on behalf of the group.

15

Income tax assets (net)	As at 31st March 2021	As at 31st March 2020
Non-current		
Income tax (net)	1,132.95	991.37
Total	**1,132.95**	**991.37**

16

Other non-current assets (Unsecured, considered good unless otherwise stated)	As at 31st March 2021	As at 31st March 2020
Capital advances	188.65	198.24
Less: Impairment of advance given	188.65	188.65
	-	9.59
Others advances (Refer Note 16.1)	488.62	488.62
Less: Impairment of advance given	488.62	488.62
	-	-
Deferred advance rentals (Refer note 13.1)	3,487.58	3,650.47
Advance for project (Refer note 16.2 below)	600.00	-
Prepaid expenses	9.87	7.76
Total	**4,097.45**	**3,667.82**

16.1 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.

16.2 During the year, the subsidiary company OHPPL has paid unsecured advance of Rs. 600 lakhs to Joint Developer for cost to be incurred in respect of joint development agreement entered in September 2019 to develop and commercially exploit certain properties over the land on which the subsidiary company holds leasehold rights. As per the terms agreed between the joint developer and the subsidiary company, the said amount would be utilised for obtaining / seeking the necessary approvals for the development of above-mentioned property. Further, if the joint developer is not able to obtain the requisite development approvals within reasonable time, the said amount subject to deduction for expense incurred by the joint developer would be refunded to the subsidiary company. The project is at a very nascent stage and more clarity would emerge over the next few months.

17

Inventories (At lower of cost or net realisable value)	As at 31st March 2021	As at 31st March 2020
Food and beverages	95.32	179.64
Stores and operating supplies (Refer note 17.1)	91.76	134.53
Total	**187.08**	**314.17**

17.1 The cost of inventories recognised as an expense amounted to Rs. 759.51 lakhs (Previous year Rs. 2,379.73 lakhs). Refer note 3.5 for accounting policy for inventory valuation.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

18

Investments	**As at 31st March 2021**	**As at 31st March 2020**
Current		
Investment measured at Fair Value Through Profit or Loss		
Unquoted		
50,000 (Previous year: 50,000) units of SBI PSU FUND - of Rs. 10 each (Refer note 18.1)	5.28	3.81
Total	**5.28**	**3.81**
Aggregate cost of unquoted investments	5.00	5.00
Net asset value unquoted investments	5.28	3.81
Aggregate amount of impairment in value of investments	-	-

18.1 The fair value hierarchy and classification are disclosed in Note 61

19

Trade receivable (Unsecured considered good, unless otherwise stated)	**As at 31st March 2021**	**As at 31st March 2020**
-Considered good (Refer note 19.1)	567.54	1,006.52
-Considered doubtful	1,522.00	1,437.61
Sub-total	**2,089.54**	**2,444.13**
Less: Allowance for expected credit loss*	1,522.00	1,437.61
Total	**567.54**	**1,006.52**

* 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 62(a)(ii)]

19.1 Trade receivable includes receivable from related parties as given below. This included amount of Rs. 14.97 lakhs (Previous year: Rs. 10.68 lakhs) from an entity in which director of the group is also director.

Particulars	**As at 31st March 2021**	**As at 31st March 2020**
From related parties (Refer note 49)		
Ilex Developers & Resorts Limited	13.71	8.63
Treeo Resorts Private Limited	-	2.05
Orchid Hotels Himachal Private Limited	1.26	-
Total	**14.97**	**10.68**

20

Cash and cash equivalents	**As at 31st March 2021**	**As at 31st March 2020**
Balances with bank		
- In current accounts	298.11	158.76
- Cheques in hand	150.00	300.00
- Cash in hand	14.43	30.43
- Fixed deposits (less than 12 months maturity)	884.31	1,046.00
Total	**1,346.85**	**1,535.19**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

21	**Other bank balances**	**As at 31st March 2021**	**As at 31st March 2020**
	Margin money in fixed deposits with banks (Maturity period less than 12 months) (Refer note 21.1)	103.73	94.26
	Balance in Bank - Escrow Account (Refer note 21.2)	0.05	14.70
	Total	**103.78**	**108.96**

21.1 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.

21.2 Balance with bank (escrow account) is maintained for servicing monthly installments of term loan taken.

22	**Loans** (Unsecured considered good, unless otherwise stated)	**As at 31st March 2021**	**As at 31st March 2020**
	Current		
	Security deposit	13.20	13.30
	Loans and advances to related party	-	0.09
	Loans and advances to employees and others	58.75	0.22
	Total	**71.95**	**13.61**

23	**Other financial assets** (Unsecured, considered good unless otherwise stated)	**As at 31st March 2021**	**As at 31st March 2020**
	Current		
	Interest receivable	29.61	30.90
	Insurance claim receivable	-	40.00
	Total	**29.61**	**70.90**

24	**Income tax assets (net)**	**As at 31st March 2021**	**As at 31st March 2020**
	Current		
	Income tax (net)	-	316.64
	Total	**-**	**316.64**

25	**Other current assets** (Unsecured, considered good unless otherwise stated)	**As at 31st March 2021**	**As at 31st March 2020**
	Advances to vendors	76.25	178.35
	Advance for project	17.26	-
	GST receivable on vendor payment	6.31	
	Balances with Government authorities (Refer Note 25.2)	243.98	251.71
	Less: Provision for custom duty receivable (Refer Note 25.1)	-	(45.00)
		243.98	206.71
	Prepaid expenses	216.02	184.87
	Total	**559.82**	**569.93**

25.1 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.Considering uncertainty of collection, the Company had fully provided for custom duty receivable. During the year, based on order received, the same has been written off.

25.2 Balance of authorities includes input tax credit (ITC) of Rs. 76.19 lakhs (Previous year: Rs. 76.53 lakhs) of Goods and service tax (GST) taken by subsidiary company (Orchid Hotels Pune Private Limited) and Rs. 12.88 lakhs (Previous year Rs.9.80 lakhs) taken by Holding Company based on legal interpretation.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

26 Share capital	As at 31st March 2021	As at 31st March 2020
Authorised capital		
3,42,50,000 (Previous year: 3,42,50,000) Equity Shares of Rs. 10 each.	3,425.00	3,425.00
Total	**3,425.00**	**3,425.00**
Issued, subscribed and paid-up		
2,35,84,058 (Previous year: 2,35,84,058) 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**

26.1 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 Rs. 10. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the group, 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).

26.2 Reconciliation of the number of shares outstanding is set out below:

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of Shares	Amount	Number of Shares	Amount
Number of shares at the beginning	2,35,84,058	2,358.41	2,35,84,058	2,358.41
Add: Shares issued during the year	-	-	-	-
Less: Buyback during the year	-	-	-	-
Number of shares at the year end	2,35,84,058	2,358.41	2,35,84,058	2,358.41

26.3 Details of shareholders holding more than 5 % shares

Particulars	As at March 31, 2021		As at March 31, 2020	
	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
Vishal Amusements Limited	18,88,526	8.01	18,88,526	8.01

* These entities have merged with Vishal Amusement Limited with effect from 16th May, 2018. Transfer formalities are in progress.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

27	Other equity	As at 31st March 2021	As at 31st March 2020
	Capital reserve (Refer Note 27.1)		
	As per last Balance sheet	13.87	13.87
	Capital redemption reserve (Refer Note 27.2)		
	As per last Balance sheet	266.50	266.50
	Securities premium (Refer Note 27.3)		
	As per last Balance sheet	14,986.74	14,986.74
	Amalgmation reserve (Refer note 27.4)		
	As per last Balance sheet	280.06	280.06
	(Deficit) in the statement of profit and loss		
	As per last balance sheet	(30,299.83)	(32,777.31)
	Add: (Loss) / profit for the year	(3,629.39)	2,477.48
	Closing balance	**(33,929.22)**	**(30,299.83)**
	Other comprehensive income		
	As per last balance sheet	36.31	28.99
	Add: Other comprehensive income for the year	53.85	7.32
	Closing balance	**90.16**	**36.31**
	Total	**(18,291.89)**	**(14,716.35)**

27.1 Capital reserve represents profit on sale of fixed asset related to an entity amalgamated with holding company in the earlier years.

27.2 Capital redemption reserve was credited by amount set aside for redemption of preference shares .

27.3 Securities premium account is used to record the premium on issue of equity shares. The same will be utilised in accordance with the provisions of The Companies Act, 2013.

27.4 In terms of the Bombay High Court Order dated 13th January, 2012 the amalgamation reserve is not available for distribution as dividend.

28	Borrowings	As at 31st March 2021	As at 31st March 2020
	Non-current borrowings		
	Secured		
	Term loans (Refer note 28.4(d))		
	- From banks (Refer note 28.1(c))	2,513.23	1,784.28
	- From others (Refer Note 28.1(a), 28.1(b), 28.5)	45,384.16	42,467.36
	Unsecured		
	- Inter-corporate loan (Refer note 28.2)	2,597.37	2,199.84
		50,494.76	46,451.48
	Less: Current maturities of long term loans (Refer note 36)	38,637.40	23,305.18
	Less: Interest accrued and due (Refer note 36)	5,419.86	2,511.67
	Less: Interest accrued but not due (Refer note 36)	18.01	11.93
	Total	**6,419.49**	**20,622.70**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

28.1 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. 25,049.81 lakhs (Previous year: Rs. 22,092.22 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 the Holding 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 Holding 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 Holding 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.

In respect of term loan taken by the subsidiary company (OHPPL) 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 others [loans assigned by Bank to ARC's and NBFC on settlement] aggregating to Rs. 1,500.36 lakhs (Previous year: Rs. 1,452.90 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 loans from bank having carrying value of Rs. 2,495.64 lakhs (Previous year: Rs. 1,772.34 lakhs) 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 property, plant and equipments of the Holding Company; (ii) Equitable mortgage over the land situated at Nagpur, owned by the Holding 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 (v) Post dated cheques (vi) Corporate guarantees of Plaza Hotels Private Limited and Vishal Amusement Limited.

28.2 (a) Intercorporate loan taken by holding company from a group company amounting to Rs. 612.69 lakhs (Previous year: Rs. 186.01 lakhs) is repayable by 31st March, 2024 [as extended] or earlier on availability of funds with the Holding 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.

(b) In respect of intercorporate loan taken by subsidiary company from a group company amounting to Rs. 1,935.92 lakhs (Previous year: Rs. 1,935.92 lakhs), as per the terms of agreement, loan is not payable in next 12 months as at balance sheet date and after availability of funds with the subsidiary company. Hence, same is classified under long term borrowings. Further, based on request made to the group company, in view of various adverse factors and financial position of subsidiary company, the group company had waived off interest till the financial position of the subsidiay company improves.

28.3 Based on repayment schedules for borrowings [including as per settlement agreement or One Time Settlement sanctioned by various lenders as referred in note 28.4 below], following is maturity profile of term loans from banks and others [assigned loans].

Particulars	Maturity Profile			
	As at 31st March 2021		As at 31st March 2020	
	Next 1 year	2-5 years	Next 1 year	2-5 years
From banks	238.37	2,237.72	449.91	1,334.37
From others	38,399.03	4,181.77	22,855.27	19,288.33
Total	**38,637.40**	**6,419.49**	**23,305.18**	**20,622.70**

28.4 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

Subsequently, most of these loans were assigned by the lenders to the Asset Reconstruction Companies (ARC). Group has 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, 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. 32,286.79 lakhs (Previous year: Rs. 27,399.38 lakhs).

(c) With respect to cases filed in earlier years under Negotiable Instrument Act, 1881, since the relevant loan has been fully assigned, the holding company was advised that the proceedings under the said Act will not survive. In the previous year, the case was disposed off by the court upon amicable settlement of the matter.

(d) Considering COVID-19 pandemic, the Holding Company had sent signed letters by e-mails in the month of March 2020 and June 2020 to various lenders (except Kotak Bank) and had sent an e-mail in September 2020 to Kotak Bank for extension of the dues upto December 2020. In-principle approval was received in writing from one of the lenders for extension of three EMI's amounting to Rs. 143 lakhs each. In respect of further restructuring proposals submitted by the Holding Company with certain lenders, in-principle approval was received in writing from two lenders and the Kotak Bank restructured the outstanding loan whereby it sanctioned Funded Interest Term Loan (FITL) and additional finance by way of Working Capital Term Loan (WCTL) of Rs. 360 lakhs under Emergency Credit Line Guarantee Scheme 2.0. The Holding Company has executed necessary loan documents with Kotak Bank after the close of the financial year. In respect of balance three lenders, though written confirmation are awaited, all lenders have verbally agreed for the extension whenever sought. In view of the above, in the opinion of the management, event of default is not triggered and therefore, there is no other accounting implications and reclassification of non-current borrowings to current liabilities is not required as at 31st March 2021. Considering the above, in the opinion of the Holding Company's management, no intimation is required to be given to the stock exchange for unpaid installments as at 31st March 2021 as required by SEBI circular dated 21st November 2019. Impact if any, will be considered in the period in which the Holding Company and the lenders agree on the revised terms. The Holding Company has sent letters to the lenders, requesting confirmation of outstanding loan balances, of which confirmations from four lenders for balance of Rs. 6,531.29 lakhs are awaited.

28.5 (a) In the Holding Company, during the previous year, an Asset Reconstruction Company (ARC) to whom the bank had assigned its loan have permitted extension of repayment tenor of the respective secured debt till 28th February, 2023, on the payment of interest at 12.5% p.a. payable by the holding company as per the repayment schedule w.e.f 1st October, 2019. Extension of loan along with interest is accounted in accordance with the requirement of Ind AS 109 - Financial Instruments.

(b) In the Holding Company, during the previous year, an ARC (to which two banks and one financial institution had assigned their secured debts) has modified terms and conditions of the debt by providing the allocation between principal and interest payable w.e.f 1st April 2019 vide their letter dated 29th January 2020. Further the effective interest rate (EIR) has been recomputed based on the revised principal amount. The management is of the view that the de-recognition and consequent the write back of loan and re-computation of EIR has been done in accordance with the qualitative parameters permitted in Ind AS 109- ‘Financial Instrument’ on the basis of opinion obtained from an expert and its ability to make prepayment of loan. Consequently, the Holding Company had written back the principal amount of Rs. 2,369.28 outstanding as on 1st April 2019. Principal write back of Rs. 2,369.28 lakhs has been shown as “exceptional item”. Also refer note 46.1.

28.6 Loans guaranteed by executive chairman and managing director of the holding company and his relatives

Particulars*	As at 31st March 2021	As at 31st March 2020
From banks	2,513.23	1,784.28
From others	45,384.16	42,467.36
Total	**47,897.39**	**44,251.64**

*Including interest outstanding.

28.7 a) In respect of Holding Company, delay in repayment of loan and interest [without considering in-principle / verbal approvals from lenders as elaborated in note 28.4(d) above] at the year end is as given below:

Particulars	As at 31st March 2021		As at 31st March 2020	
	Amount	Period defaults	Amount	Period defaults
Principal	6,519.44	1 to 457 days	987.36	1 to 92 days
Interest	3,926.48	1 to 457 days	988.73	1 to 92 days
Total	**10,445.92**		**1,976.09**	

*Amount of Rs. Nil has been repaid subsequent to current financial year end but before approval of accounts (Previous year: Amount of Rs. Nil lakhs repaid subsequent to year before approval of accounts).

In respect of defaults in repayment of loan by the Subsidiary Company (OHPPL), refer note 36.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

29	Lease liabilities	As at 31st March 2021	As at 31st March 2020
	Non-current		
	Lease rentals (Refer note 53)	1,697.05	1,666.52
	Total	**1,697.05**	**1,666.52**

30	Other financial liabilities	As at 31st March 2021	As at 31st March 2020
	Non-current		
	Outstanding club membership deposit	19.19	30.87
	Security deposits	62.82	65.82
	Deposit from related party (refer note 30.1)	25.95	23.17
	Total	**107.96**	**119.86**

30.1 Security deposit received having carrying value of Rs. 80.00 lakhs as at 31st March 2021 (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. This deposit is fair valued in accordance with Ind AS 109- Financial Instruments. Unwinding of deferred lease liability arising out of the said fair valuation is being recognised on straight line basis. (Refer note 38).

31	Provisions	As at 31st March 2021	As at 31st March 2020
	Non-current		
	Provision for gratuity benefits (Refer note 52((ii)(a))(b))	251.09	258.03
	Provision for leave benefits (Refer note 52((ii)(c))	195.82	247.84
	Total	**446.91**	**505.87**

32	Deferred tax liabilities (net)	As at 31st March 2021	As at 31st March 2020
	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	3,798.20	3,879.96
	Sales tax deposit paid under protest claimed as allowable expenses	2.52	2.52
		3,800.72	**3,882.48**
	Deferred tax assets		
	Carried forward losses as per Income tax act, 1961	980.12	142.49
	Expense allowed on payment basis as per Income tax act, 1961	450.23	451.74
	Provision for doubtful debts and advances	384.85	360.46
	MAT credit entitlement	0.07	52.59
	Lease expenses under Ind AS 116	4.55	0.13
	Fair value measurement of financial assets and liabilities (net)	481.00	466.67
		2,300.82	**1,474.08**
	Deferred tax (liability)	**1,499.90**	**2,408.40**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

32.1 Reconciliation of tax expenses and the accounting profit multiplied by applicable tax rate for 31st March 2021 and 31st March 2020:

Particulars	**As at 31st March 2021**	**As at 31st March 2020**
(Loss) / profit before tax	(4,590.87)	2,427.43
Income tax liability/(asset) as per applicable tax rate (a x b)	(1,269.46)	783.23
(i) Permanent tax difference due to		
- Effect of expenses that are not deductible in determining taxable profit	(1.38)	(682.34)
(ii) Effect of change in tax rate for deferred tax liability calculation	-	(356.58)
(iii) Deferred tax asset not recognised	320.21	192.25
(iv) Tax expenses of earlier years	(10.85)	13.39
Tax expense reported in the statement of profit and loss	**(961.48)**	**(50.05)**

Particulars	**As at 31st March 2021**	**As at 31st March 2020**
Other comprehensive income	65.34	11.22
Income tax liability / (asset) as per applicable tax rate	11.49	3.90
Tax expense reported in other comprehensive income	**11.49**	**3.90**

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) The Holding Company and subsidiary company MPPL has opted for lower tax rate under Section 115BAA of the Income Tax Act, 1961. In respect of Holding Company, current tax for the year ended 31st March, 2020 was provided as per old tax regime. Deferred tax asset has been created on losses incurred during the year, considering there is a deferred tax liability on net basis. Further, deferred tax for year ended 31st March, 2020 includes credit of Rs. 349.94 lakhs on account of applying lower tax rate as per the new regime to which the holding company has migrated in the year 2020-21.

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 (OHPPL) subsidiary company, 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. 7,857.90 lakhs as at 31st March 2021 (Previous year: Rs. 8,216.75 lakhs) has not been recognised due to uncertainty in respect of future taxable Income against which such losses can be offset.

32.2 Income tax recognised in the statement of profit and loss:

Particulars	**As at 31st March 2021**	**As at 31st March 2020**
Current tax		
In respect of the current year	-	297.97
In respect of the earlier years	11.03	(99.87)
	11.03	**198.10**
Deferred tax		
In respect of the current year	(950.63)	(361.41)
In respect of the earlier years	(21.88)	113.26
	(972.51)	**(248.15)**
Total tax expense recognized in current year	**(961.48)**	**(50.05)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

33

Other non-current liabilities	**As at 31st March 2021**	**As at 31st March 2020**
Unamortized non-refundable membership deposit	378.84	453.32
Total	**378.84**	**453.32**

34

Trade payables	**As at 31st March 2021**	**As at 31st March 2020**
Outstanding dues of micro enterprises and small enterprises (Refer note 34.1)	365.59	334.73
Outstanding dues of creditors other than micro enterprises and small enterprises		
- Others	1,952.06	2,139.50
- Related parties (Refer note 49)	90.92	259.72
Total	**2,408.57**	**2,733.95**

34.1 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 2021**	**As at 31st March 2020**
Dues remaining unpaid at the year end:		
(a) The principle amount remaining unpaid to supplier as at the end of the accounting year	275.01	308.90
(b) The interest thereon remaining unpaid to supplier as at the end of the accounting year	90.58	25.83
(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	23.04	25.83
(e) Amount of interest accrued and remaining unpaid at the end of the accounting year	90.58	67.54
(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	12.81	16.70

35

Lease liabilities	**As at 31st March 2021**	**As at 31st March 2020**
Current		
Deferred Lease Rentals (Refer note 53)	197.58	223.22
Total	**197.58**	**223.22**

36

Other financial liabilities	**As at 31st March 2021**	**As at 31st March 2020**
Current		
Current maturities of long term borrowings (Refer note 36.1)	38,637.40	23,305.18
Interest accrued but not due	17.59	11.93
Interest accrued and due:		
- To banks and others	5,420.29	2,511.67
- On bond deposit	112.63	118.78
Current maturity of outstanding membership deposit	1,198.31	1,199.17
Creditors for capital expenditure	90.05	119.98
Security deposit	64.01	62.01
Book Overdraft	-	266.26
Lease premium payable (Refer note 36.2)	1,535.79	1,405.94
Other payables *	427.20	869.36
Total	**47,503.27**	**29,870.28**

*Other payable mainly consist of employee related dues and other accrued expenses

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

36.1 In respect of loans taken by subsidiary

a) In respect of subsidiary company (OHPPL),

(i) Vide agreement dated 24th December 2018, International Asset Reconstruction Company Private Limited (IARC) purchased the loan from M/s Asset Reconstruction Company India Limited (ARCIL) [lender to whom loan was sold/assigned by ICICI Bank in earlier years] for an aggregate amount of Rs. 13,500.00 lakhs on cash basis which as per the legal advice received by the subsidiary company is not in compliance of the circulars / notifications issued by Reserve Bank of India. Even otherwise, the said sale could not be termed either as sale or assignment as there existed non-compliance of mandatory provisions of law in order to effectuate such a transactions in compliance with the provisions of law. As per the books of the subsidiary company, total outstanding towards this loan is Rs. 18,833.99 lakhs (including interest liability accounted in books upto 30th September, 2013). The interest amount from 1st October, 2013 till 31st March, 2021 has not been provided in books nor has the same been quantified. As per the legal opinion obtained by the subsidiary company and in accordance with the settlement arrangement between holding company, the subsidiary company and IARC, the liability shown in financial statement of the subsidiary company as well as loan to subsidiary and guarantees in the financial statement of the holding company (i.e. Guarantors) would get extinguished. Further, the holding company has agreed to transfer 100% equity shares of the subsidiary company to IARC for a consideration of Rs. 1/- and in turn thereof IARC shall release all the corporate and personal guarantees unconditionally. The other terms/conditions and obligation as agreed between the parties along with the extinguishment as mentioned above will be accounted when the definitive agreement is executed. IARC has replied to the subsidiary company, in principle agreeing to the terms of the settlement and also suggested that modalities for achieving this are being worked out. Accordingly as per the subsidiary company, no further liability is required to be accounted now.

b) 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.

c) **Details of security provided**

This loan is secured by (i) first charge on all movable and immovable fixed assets of the 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 Company held by the holding company; (iv) guaranteed by corporate guarantee of Kamat Hotels (India) Ltd (Holding Co.), Kamats Development Private Limited (a Group in which the director of the Company is a director); and (v) personal guarantees of Director and Ex-Director.

d) In respect of borrowing from IARC [assigned by ARCIL], outstanding balance as on 31st March 2021 (including interest liability accounted upto 30th September 2013) is subject to confirmation. No balance confirmation was available in the previous year also.

36.2 In respect of dispute over lease rent levied by Director of Sports, the Company has accounted for the liability amounting to Rs. 1,665.46 lakhs (Previous year: Rs. 1,405.94 lakhs) for the period from 1st November 2014 to 31st March 2021; out of which a part payment of Rs.129.85 lakhs was made during the year. Further, during the year ended 31st March 2020, the Hon'ble Bombay High Court had appointed sole arbitrator to resolve the disputes. Interest / penalty, if any, will be accounted in the period / year in which dispute will be resolved. Since full provision has been made, the same has not been not disclosed as contingent liability.

Further, during the year the Company by invoking COVID-19 as the force majeure event, had applied to the authorities for waiver of lease rent during the lockdown imposed by the Government. The said application is pending and waiver, if any, will be accounted in the period / year in which it will be approved.

37

Provision - current	**As at 31st March 2021**	**As at 31st March 2020**
Provision for gratuity (Refer note 52((ii)(a))(b))	44.85	56.82
Provision for leave benefit (Refer note 52((ii)(c))	62.71	86.54
Total	**107.56**	**143.36**

38

Other current liabilities	**As at 31st March 2021**	**As at 31st March 2020**
Advance from customers	282.98	337.01
Unamortised non-refundable membership deposit	74.47	74.47
Income received in advance (others)	7.70	6.99
Deferred income on club deposits	3.07	4.43
Deferred advance rentals on security deposits	33.32	36.92
Statutory dues	1,172.89	1,661.11
Total	**1,574.43**	**2,120.93**

KAMAT HOTELS (INDIA) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

39	Current tax liabilities (net)	As at 31st March 2021	As at 31st March 2020
	Provision for income tax	-	0.06
	Total	**-**	**0.06**

40	Revenue from operations	Year ended 31st March 2021	Year ended 31st March 2020
	Sale of services		
	Room income	3,342.83	12,324.64
	Food and banquet income	2,414.05	8,007.40
	Sub-total	**5,756.88**	**20,332.04**
	Other operating revenue		
	Income from time share business	173.76	197.54
	Management and consultancy fees	32.67	16.50
	Swimming and health club	27.49	77.64
	Conference and banqueting services	167.94	687.70
	Internet and telephone	0.72	11.08
	Laundry services	12.02	52.59
	Car rental and transportation	14.45	151.66
	Membership fees	51.72	76.10
	Miscellaneous services	29.14	86.10
	License fees - Shops and offices	100.82	172.29
	Income from export incentive	-	91.31
	Subsidy received from MTDC (Incentive Scheme) (Refer Note 40.1)	150.94	-
	Provisions for expected credit loss written back	-	61.40
	Liabilities and Provisions written back	80.80	184.12
	Sub-total	**842.47**	**1,866.03**
	Total	**6,599.35**	**22,198.07**

40.1 Revenue from Operations for the quarter and year ended 31st March 2021 includes Rs 150.94 lakhs (Previous year Rs. Nil) being grant of indirect taxes refund accrued based on application made by the Holding Company during the year under Maharashtra Package Scheme of Incentives for a hotel unit. The Holding Company has received Rs. 92.68 lakhs towards partial grant amount after the close of the financial year before signing of the annual accounts.

41	Other income	Year ended 31st March 2021	Year ended 31st March 2020
	Interest income on financial assets at amortised cost		
	- on fixed deposit with bank	60.39	29.75
	- on others	8.05	28.82
	Dividend income on investment in mutual fund - current investment	-	0.43
	Exchange gain (net)	0.16	4.91
	Net gain on fair value changes of financial assets measured at amortised cost	6.66	3.98
	License fees - including in respect of investment properties	44.09	56.28
	Profit on sale of property, plant and equipment (net)	25.19	-
	Miscellaneous income	5.50	17.26
	Total	**150.04**	**141.43**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

42	Consumption of food and beverages	Year ended 31st March 2021	Year ended 31st March 2020
	Opening stock	179.64	173.40
	Add: Purchases	586.50	2,043.73
		766.14	2,217.13
	Less: Closing stock	95.32	179.64
	Total	**670.82**	**2,037.49**

43	Employee benefits expense	Year ended 31st March 2021	Year ended 31st March 2020
	Salaries, wages and bonus	1,259.79	4,792.41
	- Contribution to provident and other funds	81.51	273.21
	- Provision for gratuity (Refer note 52((ii)(a))(b))	79.39	80.99
	- Provision for leave benefit (Refer note 52((ii)(c))	2.23	96.94
	Staff welfare expenses	110.18	450.92
	Total	**1,533.10**	**5,694.47**

44	Finance costs	Year ended 31st March 2021	Year ended 31st March 2020
	Interest expense at effective interest rate on borrowings which are measured at amortized cost	3,423.06	2,916.91
	Other borrowing costs	446.41	422.27
	Fair value of changes in financial liabilities (measured at amortized cost)	1.42	85.85
	Interest expense on lease liabilities (Refer note 53)	306.96	305.60
	Total	**4,177.85**	**3,730.63**

45	Other expenses	Year ended 31st March 2021	Year ended 31st March 2020
	Operating expenses		
	Heat, light and power	702.48	1,604.27
	Rent (Refer note 53)	73.46	128.77
	Licenses, rates and taxes (Refer note 45.1 and 45.2)	538.22	626.32
	Repairs expenses for		
	- Buildings	164.22	489.81
	- Plant and Machinery	232.64	424.78
	- Others	64.68	206.78
	Guest amenities and supplies	365.81	978.81
	Replacements of crockery, cutlery, linen, etc.	25.15	134.48
	Washing and laundry expenses	57.61	235.71
	Water charges	70.89	165.04
	Band and music expenses	70.27	183.83
	Management license fees and royalty	102.90	295.22
	Sub total(A)	**2,468.33**	**5,473.82**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

45

Other expenses	Year ended 31st March 2021	Year ended 31st March 2020
Sales and marketing expenses		
Advertisement, publicity and sales promotion	79.86	350.68
Travel agents' commission	124.86	275.24
Other commission and charges	113.53	697.07
Sub total(B)	**318.25**	**1,322.99**
Administrative and general expenses		
Communication expenses	126.51	160.71
Printing and stationery	29.59	72.81
Legal, professional and consultancy charges	103.96	351.01
Directors' sitting fees	7.20	8.20
Travelling and conveyance	118.04	295.55
Insurance	122.37	81.54
Bad debts (net)	56.18	13.71
Less: Provision for expected credit loss	(56.18)	(13.71)
	-	-
Provision for expected credit loss	95.58	-
Expenditure on Corporate Social Responsibility (Refer note 45.3)	12.57	9.36
Auditors' remuneration (Refer note 45.4)	24.60	24.60
Sales Tax / VAT / Luxury tax etc. including assessment dues	2.88	6.07
Loss on sale / discard of property, plant and equipment (net)	-	64.37
Loss of property, plant and equipments by cyclone (Refer note 57)	5.97	-
Miscellaneous expenses	74.22	257.15
Sub total(C)	**723.49**	**1,331.37**
Total (A+B+C)	**3,510.07**	**8,128.18**

45.1 In earlier years, the subsidiary company (Orchid Hotels Pune Private Limited) had filed Arbitration Petition in Pune Court for deciding the disputes with the Director of Sports, Pune requiring reduction in annual lease premium payable to Director of Sports and granting of payment of the said premium in monthly installments 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, the Company had filed Arbitration Petition before 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. As per the order of the court, the Arbitration proceedings has commenced during the previous year and are in progress. Adjustment, if any in the books will be made on disposal of the cases.

45.2 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 the subsequent period upto 31st March, 2021. Any adjustments of payment already deposited will be made subject to disposal of the cases.

45.3 During the year the Holding Company is required to spend gross amount of Rs. 12.51 lakhs (Previous year Rs.34.75 lakhs) towards Corporate Social Responsibility, in respect of which Rs. 12.57 lakhs (Previous year Rs. 9.36 lakhs) were spent on projects other than construction/acquisition of assets. The entire amount has been disbursed/committed prior to the end of the financial year ended 31st March 2021 and an amount of Rs. 25.39 lakhs were unspent out of requirement for the previous year.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

	Details of expenditure on Corporate Social Responsibility	Year ended 31st March 2021	Year ended 31st March 2020
(i)	Gross amount required to be spent by the Holding Company during the year	12.51	34.75
(ii)	Amount approved by the Board to be spent during the year	12.51	34.75
(iii)	Amount spent during the year:		
	(a) Environment	5.80	9.36
	(b) Preventive health care and sanitation	6.52	-
	(c) Other administrative overheads	0.25	-
	Total	**12.57**	**9.36**
(iv)	Amount unspent	Nil	**25.39**

45.4 Auditors' remuneration	Year ended 31st March 2021	Year ended 31st March 2020
Statutory audit fees	21.70	21.70
Tax audit fees	2.90	2.90
Total	**24.60**	**24.60**

Note: Above fees are excluding of goods and service tax (GST) of Rs 4.43 lakhs (Previous year Rs. 4.43 lakhs).

46 Exceptional items - Income/(expense)	Year ended 31st March 2021	Year ended 31st March 2020
Income:		
Reduction in liability towards long term borrowings (Refer note 46.1)	-	2,369.28
Insurance claim received (Refer note 46.2)	373.17	-
Sub-total	**373.17**	**2,369.28**
Expense:		
Impairment in cost of fixed assets of subsidiary (OHPPL) (Refer note 46.3)	-	532.20
Provision for impairment of investment in joint venture entity (Refer note 11.1)	-	313.87
Sub-total	**-**	**846.07**
Total income/(expense)	**373.17**	**1,523.21**

46.1 The holding company during the previous year, an ARC to which two banks and one financial institution had assigned their secured debts has restructured the debt by reducing the liability on NPV basis considering interest at 13% p.a. payable as per repayment schedule. Consequently, loan amount of Rs. 2,369.28 lakhs has been written back. Also refer note 28.5 (b).

46.2 In the previous year, The holding Company's one hotel property in Orissa was affected due to 'Cyclone Fani'. Net block of assets destroyed was Rs. Nil. During the current year final claim has been settled by the insurance company and consequently, amount of Rs. 373.17 lakhs has been accounted as revenue in the current year.

46.3 In accordance with Ind AS 36 - "Impairment of Assets", management of one of the subsidiary company (Orchid Hotels Pune Private Limited) has reviewed the recoverable value in respect to net block of fixed assets as on 31st March 2020, provision for impairment loss amounting to Rs. 533.20 lakhs was recognised in the previous year. Total amount of impairment loss recognised till 31st March 2021 including earlier year is Rs. 21,932.29 lakhs.

47 Capital commitments, other commitments and contingent liabilities

47.1 Capital commitments.

(a) Estimated amount of capital commitments to be executed on capital accounts and not provided for Rs.150.88 lakhs as at 31st March 2021 (Previous year: Rs. 33.51 lakhs) (Net of advances).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

47.2 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. 1,036.82 lakhs (Previous year: Rs. 1,036.82 lakhs) as per management estimate.

47.3 Contingent liability (to the extent not provided for)

Particulars		As at 31st March 2021	As at 31st March 2020
(i)	**Claims against the Company/ disputed liabilities not acknowledged as debts**		
	Disputed direct tax demands	5,511.51	5,453.27
	Disputed indirect tax demands (amount paid under protest of Rs. 22 lakhs)(Previous year: Rs. 22 lakhs)	742.54	572.83
	Disputed claim of additional premium by the director of sports government of maharashtra	225.00	225.00
	Other claims against the Holding Company not acknowledged as debts (including employee claims)	109.59	108.46
(ii)	**Other money for which the Group is contingently liable**		
	Open import licenses	53.66	51.63
	Contingencies in respect of assigned loan (Also refer note 28.4(b))	32,286.79	27,399.38

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. Further, the Company does not expect any reimbursement in respect of above.

47.4 Contingent asset (to the extent not recognised)

Particulars	As at 31st March 2021	As at 31st March 2020
Tax subsidy receivable from MTDC under Package Scheme of Incentives	26.97	-

47.5 Other litigations

(a) Refer note 16.1 in respect of dispute regarding Bandra Kurla Project.

48 Summarised financial information for joint venture entity (Ilex Developers and Resorts Limited):

48.1 Summarised Balance Sheet as at 31st March 2021 and as at 31st March 2020

Particulars	As at 31st March 2021	As at 31st March 2020
Current assets	242.09	265.40
Non-current assets	2,834.78	3,009.17
Current liabilities	1,874.96	1,419.57
Non-current liabilities	415.91	885.64
Equity	**786.00**	**969.36**
Proportion of Group's ownership interest	0.33	0.33
Carrying amount of Group's interest [net of impairment of Rs. 313.87 lakhs (Previous year Rs. 313.87 lakhs)]	41.33	108.51

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

48.2 Summarised Statement of Profit and Loss for the year ended 31st March, 2021

Particulars	As at 31st March 2021	As at 31st March 2020
Revenue	**334.60**	**941.42**
Consumption of food and beverages	40.57	107.74
Employee benefits expense	83.56	278.49
Finance costs	69.26	44.85
Depreciation and amortisation expense	187.80	187.01
Other expenses	147.14	377.85
Total expenses	**528.33**	**995.94**
Loss before tax	**(193.73)**	**(54.52)**
Less: Income tax expenses	(8.73)	27.41
Loss after tax	**(185.00)**	**(81.93)**
Add: Other comprehensive income	1.64	(0.74)
Total comprehensive income for the year	**(183.36)**	**(82.67)**
Group's share of total comprehensive income for the year (after intercompany profit elimination)	(67.18)	(29.10)

48.3 Summarised Statement of Cash Flow for the year ended 31st March, 2021

Particulars	As at 31st March 2021	As at 31st March 2020
Cash flows from operating activities	54.83	165.25
Cash flows from investing activities	(27.44)	(148.41)
Cash flows from financing activities	(1.91)	2.22
Net increase in cash & cash equivalents	**25.48**	**19.06**

48.4 The joint venture entity has following contingent liability and capital commitments:

Particulars	As at 31st March 2021	As at 31st March 2020
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

49 Disclosures as required by Indian Accounting Standard (Ind AS) 24 - Related Party Disclosures

49.1 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 and balances)

Part I
Vithal 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 (S) Limited, Kamat Eateries Private Limited^, Savarwadi Rubber Agro Private Limited, Kamats Development Private Limited, Talent Hotels Private Limited, Treeo Resort Private Limited, Nagpur Ecohotel Private Limited^, VITS Hotels (Bhubaneshwar) Private Limited^.

Part II
Orchid Hotels Himachal Private Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

c)	Key management personnel [KMP & Director]:	Executive Chairman & Managing Director	Dr. Vithal V. Kamat
		Non Executive Director	Mr. Bipinchandra C. Kamdar (upto 30th September, 2020)
			Ms. Vidita V. Kamat (from 29th September, 2020)
			Mr. Sanjeev Rajgarhia (from 28th August, 2020)
		Independent Director	Mr. S. S. Thakur (upto 27th May, 2019)
			Mr. Dinkar D. Jadhav (upto 19th February, 2021)
			Ms.Himali H. Mehta (upto 13th February, 2020)
			Ms. Harinder Pal Kaur (from 15th May, 2020)
			Mr. Ramnath P. Sarang (from 27th May, 2019)
d)	Relatives of KMP (Only where there are transactions and balances)		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]
	e) Post employment benefit plans		Kamat Hotels (India) Limited - Employees Gratuity Trust
	f) Key management personnel as per Companies Act, 2013	Chief financial officer	Mrs. Smita Nanda
		Company Secretary	Mr. Amit Vyas (Upto 13th May 2019)
			Mr. Shailesh Bhaskar (from 27th May 2019 to 10th June 2020)
			Mrs. Shruti Shrivastava (from 24th July 2020 to 15th December, 2020)
			Ms. Ruchita Shah (from 8th February 2021 to 13th May 2021)
			Mr. Hemal Sagalia (from 29th June 2021)

^ These entities are merged with Vishal Amusements Private Limited w.e.f. 16th May 2018.

49.2 Transactions with related parties

Nature of transaction	Name of the party	Year ended 31st March 2021	Year ended 31st March 2020
Royalty fees for leasehold land	Plaza Hotels Private Limited	37.09	209.46
Supply of foods & beverages and general items		0.89	-
Amount payable towards tax on Commission related Corporate Guarantee		2.28	2.27
Management fees - income	Ilex Developers & Resorts Limited	3.22	9.13
Laundry service expense		3.42	3.58
Taxes recovered on corporate guarantee commission		0.25	0.25
Amount payable towards tax on Commission related Corporate Guarantee		0.44	0.44
Reimbursement of expenses paid (net)		7.84	4.38
Remuneration paid (Also refer note 49.5 below)	Dr.Vithal V. Kamat	30.61	106.45
Remuneration Recovered		72.55	-
Royalty expenses		2.20	5.52
Remuneration paid	Mr. Vishal V. Kamat	21.64	56.24
Consultancy fees	Ms.Vidita V. Kamat	-	5.40

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

Nature of transaction	Name of the party	Year ended 31st March 2021	Year ended 31st March 2020
Director Sitting fees	Mr. Bipinchandra C. Kamdar	-	1.90
	Mr. S. S. Thakur	-	0.60
	Mr. Dinkar D. Jadhav	1.50	1.90
	Mr. Ramnath Sarang	1.50	1.20
	Ms.Himali H. Mehta	-	1.40
	Mrs.Harinder Pal Kaur	1.50	-
	Mr. Sanjeev B. Rajgarhia	1.00	-
	Ms.Vidita V. Kamat	0.50	-
Amount payable towards Tax on Commission related Corporate Guarantee	Vishal Amusements Limited	0.22	0.17
Supply of general items	Orchid Hotels Himachal Private Limited	1.07	-
Reimbursement of expenses received (net)	Tree-O-Resorts Private Limited	-	0.17
Amount recovered towards services	Talents Hotels Private Limited	-	0.50
Expenses incurred on behalf of Company		-	0.17
Contribution to post employment benefit plan	Kamat Hotels (India) Limited - employees gratuity trust	29.07	9.03

49.3 Related party outstanding balances:

Nature of balance	Name of the party	Year ended 31st March 2021	Year ended 31st March 2020
Corporate guarantee given by holding company on behalf of Jont 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 (net)		13.70	8.41
Security deposits given (Gross carrying value)		80.00	80.00
Deposit given under business contract agreements	Plaza Hotels Private Limited	8,000.00	8,000.00
Trade payable		90.28	258.73
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	-	2.05
Pledge of shares for term loan taken by the Company	Vishal Amusements Limited.	645.05	-
Amount payable		1.01	-
Amount receivable		-	0.17
Royalty payable	Dr. Vithal V. Kamat	6.01	4.87
Pledge of shares for term loan taken by the Holding Company		358.43	-
Remuneration Recoverable (since recovered)		58.75	41.94
Pledge of shares for term loan taken by the Holding Company	Nagpur Ecohotel Private Limited	-	100.00
Pledge of shares for term loan taken by the Holding Company	VITS Hotels (Bhubaneshwar) Private Limited	-	100.00
Amount receivable	Orchid Hotels Himachal Private Limited	1.26	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

(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) Entities as mentioned in 49.1(b) have pledged their shares held in the Company for loans taken by the Company

(c) 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. 2,476.09 lakhs (Previous year: Rs. 1,800.00 lakhs) 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. [Refer note 28.1(c)].

(iv) Entities in which KMP has significant influence have provided security by way of creating equitable mortgage of land owned by them for loan taken by the holding company.

49.4 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, the Company has waived interest. The Holding 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.

49.5 (i) The Holding Company had paid excess remuneration of Rs. 41.94 lakhs to its Executive Chairman and Managing Director (ECMD) for the financial year ended 31st March, 2020 which was subject to shareholders approval at the AGM. However, subsequent to the approval of audited accounts for the year ended 31st March, 2020, at the meeting of the Board of Directors held on 28th August, 2020, the Board decided to recover the excess remuneration amounting to Rs. 41.94 lakhs in view of ongoing business scenario and consequently the said amount had been written back in quarter ended 30th June, 2020. Out of the excess remuneration paid, Rs. 13.80 lakhs has been recovered till 31st March 2021 and balance Rs. 28.14 lakhs has been recovered before the date of approval of audited accounts for the year ended 31st March, 2021.

(ii) The Holding Company has paid remuneration to its executive chairman and managing director for the financial year ended 31st March 2021 which is in excess of the limits prescribed under section 197 of the Act (read with Schedule V of the Act) by Rs. 30.61 lakhs; the said excess managerial remuneration is fully recovered by the Holding Company before the date of approval of audited accounts results for the year ended 31st March, 2021.

50 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 as specified in para 49.1 (c) above:

Particulars	**Year ended 31st March 2021**	**Year ended 31st March 2020**
Short term employee benefits	-	96.95
Post employment benefits*	-	9.50
Other long term benefits*	-	-
Sitting fees	6.00	7.00
Total	**6.00**	**113.45**

*As the liabilities for defined benefit plans are provided on actuarial basis for the all the employees, the amounts pertaining to Key Management Personnel are not separately identifiable and hence not included.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

(b) Compensation to KMP 49.1(f) above [Other than disclosed 50(a)]

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Short term employee benefits	**12.45**	**46.20**
Mrs. Smita Nanda	9.60	29.12
Mr. Amit Vyas	-	6.32
Mr. Shailesh Bhaskar	0.52	10.76
Mrs. Shruti Shivastava	1.12	-
Ms.Ruchita Shah	1.21	-
Post employment benefits*	-	-
Other long term benefits*	-	-
Total	**12.45**	**46.20**

*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.

51 Earnings per share

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Basic and diluted earning per share		
Profit attributable to the equity holders of the group	(3,629.39)	2,477.48
Weighted average number of equity shares	2,35,84,058	2,35,84,058
Face value per equity share (Rs.)	10.00	10.00
Basic and diluted earnings per share	(15.39)	10.50

52 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	Year ended 31st March 2021	Year ended 31st March 2020
Provident fund	31.92	102.92
Pension fund	37.72	118.97
Employees' state insurance (ESIC)	11.41	50.67
Maharashtra labour welfare fund	0.46	0.65
Total	**81.51**	**273.21**

(ii) Disclosures for defined benefit plans

(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:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

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	**As at 31st March 2021**	**As at 31st March 2020**
Discount rate (per annum)	6.05%	6.45%
Rate of return on plan assets (per annum)	6.45%	6.45%
Salary escalation (per annum)	6.50%	6.50%
Attrition rate (per annum)	10.00%	10.00%
Mortality Rate	Indian Assured lives Mortality (2012-14)	Indian Assured lives Mortality (2012-14)

Changes in the present value of obligations	**As at 31st March 2021**	**As at 31st March 2020**
Liability at the beginning of the year	387.28	358.75
Interest cost	22.65	23.25
Current service cost	47.68	52.78
Benefits paid	(39.72)	(33.73)
Past service cost	-	-
Actuarial (gain) on obligations	(48.22)	(13.77)
Liability at the end of the year	**369.67**	**387.28**

Changes in the fair value of plan assets	**As at 31st March 2021**	**As at 31st March 2020**
Opening fair value of plan assets	109.44	126.01
Expected return on plan assets	6.53	8.50
Employers contribution	29.07	9.03
Benefits paid	(39.72)	(33.73)
Actuarial (loss) on plan assets	(2.58)	(0.37)
Closing fair value of plan assets	**102.74**	**109.44**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

Table of recognition of actuarial gain / loss	As at 31st March 2021	As at 31st March 2020
Actuarial (gain) on obligation for the year	(48.22)	(13.77)
Actuarial (gain) on assets for the year	(2.58)	(0.37)
Actuarial (gain) recognised in other comprehensive income	**(45.64)**	**(13.40)**

Breakup of actuarial (gain) /loss:	As at 31st March 2021	As at 31st March 2020
Actuarial loss/(gain) arising from change in demographic assumption	-	(0.03)
Actuarial loss arising from change in financial assumption	7.70	14.06
Actuarial (gain) arising from experience	(55.92)	(27.80)
Actuarial gain on plan assets	2.58	0.37
Total	**(45.64)**	**(13.40)**

Liability recognized in the Balance Sheet:	As at 31st March 2021	As at 31st March 2020
Liability at the end of the year	369.67	387.28
Fair value of plan assets at the end of the year	(102.74)	(109.44)
Amount recognized in the Balance Sheet	**266.93**	**277.84**

Expenses recognized in the Statement of profit and loss:	Year ended 31st March 2021	Year ended 31st March 2020
Current service cost	47.68	52.78
Interest cost	22.64	23.25
Expected return on plan assets	(6.53)	(8.50)
Actuarial (Gain)/Loss	(45.64)	(13.40)
Expense / (income) recognized in		
-Statement of profit and loss	63.79	67.53
-other comprehensive income	(45.64)	(13.40)

Balance sheet reconciliation	As at 31st March 2021	As at 31st March 2020
Opening net liability	277.84	232.74
Expense recognised in Statement of Profit and Loss	18.15	54.13
LIC contribution during the year	(29.07)	(9.03)
Amount recognized in the Balance Sheet	266.92	277.84
Non current portion of defined benefit obligation	223.79	222.17
Current portion of defined benefit obligation	43.13	55.67

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

Sensitivity analysis of benefit obligation (Gratuity)

Particulars	**Year ended 31st March 2021**	**Year ended 31st March 2020**
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%	360.10	377.14
b) Impact due to decrease of 0.5%	379.76	397.98
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%	379.31	397.83
b) Impact due to decrease of 0.5%	360.45	377.26
c)Impact of change in withdrawal rate		
Present value of obligation at the end of the year		
a) withdrawal rate Increase of 10%	368.44	385.82
b) withdrawal rate decrease of 10%	370.94	388.76
d)Impact of change in mortality rate		
Present value of obligation at the end of the year		
a) Impact due to increase of 10%	369.71	387.33
b) Impact due to decrease of 10%	369.64	387.25

Maturity profie of defined benefit obligation

Particulars	**As at 31st March 2021**	**As at 31st March 2020**
Weighted average duration of the defined benefit obligation years	5.44	5.51
Projected benefit obligation amount	387.29	387.29

Payout analysis

Particulars	**As at 31st March 2021**	**As at 31st March 2020**
1st year	72.58	72.03
2nd year	45.23	45.62
3rd year	39.53	44.26
4th year	35.38	41.02
5th year	43.42	37.29
Next 5 year payout (6-10 year)	159.73	171.06

(b) Defined benefit obligations - Gratuity (Non funded) (Subsidiary company)

The subsidiary company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. As per the policy , 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	**Year ended 31st March 2021**	**Year ended 31st March 2020**
Discount Rate (per annum)	6.85%	6.85%
Salary Escalation (per annum)	8.00%	8.00%
Attrition Rate (per annum)	5.00%	5.00%
Mortality Rate	Indian Assured lives Mortality (2012-14)	Indian Assured lives Mortality (2012-14)

KAMAT HOTELS (INDIA) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

Changes in the present value of obligations	**Year ended 31st March 2021**	**Year ended 31st March 2020**
Liability at the beginning of the year	37.00	21.66
Interest cost	2.50	1.66
Current service cost	13.08	11.79
Benefits paid	(3.86)	(0.29)
Actuarial (gain)/loss on obligations	(19.70)	2.18
Liability at the end of the year	**29.02**	**37.00**

Table of recognition of actuarial gain / loss	**Year ended 31st March 2021**	**Year ended 31st March 2020**
Actuarial (gain)/ loss on obligation for the year	(19.70)	2.18
Actuarial (gain)/ loss on assets for the year	-	-
Actuarial (gain)/ loss recognised in other comprehensive income	**(19.70)**	**2.18**

Breakup of actuarial (gain) /loss:	**Year ended 31st March 2021**	**Year ended 31st March 2020**
Actuarial loss/(gain) arising from change in demographic assumption	-	(0.01)
Actuarial loss arising from change in financial assumption	-	7.75
Actuarial loss/(gain) arising from experience	(19.70)	(5.56)
Total	**(19.70)**	**2.18**

Amount recognized in the Balance Sheet:	**As at 31st March 2021**	**As at 31st March 2020**
Liability at the end of the year	29.02	37.00
Fair value of plan assets at the end of the year	-	-
Amount Recognized in the Balance Sheet	**29.02**	**37.00**

Expenses recognized in the Statement of profit and loss:	**Year ended 31st March 2021**	**Year ended 31st March 2020**
Current service cost	13.08	11.79
Interest cost	2.50	1.66
Expense recognized in statement of profit and loss	**15.58**	**13.45**

Balance sheet reconciliation	**As at 31st March 2021**	**As at 31st March 2020**
Opening net liability	37.00	21.66
Expense recognised in Statement of Profit and Loss	15.58	13.45
Expense/(income) recognised in Other comprehensive income	(19.70)	2.18
Benefits paid	(3.86)	(0.29)
Amount recognized in Balance Sheet	**29.02**	**37.00**
Non current portion of defined benefit obligation	27.30	35.85
Current portion of defined benefit obligation	1.72	1.15

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

Sensitivity analysis of benefit obligation

Particulars	**Year ended 31st March 2021**	**Year ended 31st March 2020**
a)Impact of change in discount rate		
Present value of obligation at the end of the year		
a) Impact due to increase of 1%	27.22	34.68
b) Impact due to decrease of 1%	31.00	39.56
b)Impact of change in salary growth		
Present value of obligation at the end of the year		
a) Impact due to increase of 1%	30.82	39.34
b) Impact due to decrease of 1%	27.29	34.77
c)Impact of change in attrition rate		
Present value of obligation at the end of the year		
a) Impact due to increase of 1%	28.67	36.47
b) Impact due to decrease of 1%	29.36	37.53
d)Impact of change in mortality rate		
Present value of obligation at the end of the year		
a) Impact due to increase of 10%	29.01	37.00
a) Impact due to decrease of 10%	29.02	37.00

Maturity profile of defined benefit obligation

Particulars	**As at 31st March 2021**	**As at 31st March 2020**
Weighted average duration of the defined benefit obligation	12.86	12.07

Payout analysis

Particulars	**As at 31st March 2021**	**As at 31st March 2020**
1st year	1.72	1.15
2nd year	0.77	1.33
3rd year	1.14	1.06
4th year	1.49	1.61
5th year	1.49	2.37
Next 5 year payout (6-10 year)	9.69	12.97

(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)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

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.

For determination of the liability in respect of compensated absences, the group has used following actuarial assumptions:

Particulars	**Year ended 31st March 2021**	**Year ended 31st March 2020**
Discount rate	6.05% - 6.85%	6.25% - 6.85%
Salary escalation	6.50% - 8.00%	6.50% - 8.00%
Attrition rate	5.00%-10.00%	5.00%-10.00%
Mortality rate	Indian Assured lives Mortality (2012-14)	Indian Assured lives Mortality (2012-14)

Changes in the present value of obligations:

Particulars	**Year ended 31st March 2021**	**Year ended 31st March 2020**
Liability at the beginning of the year	334.38	394.17
Interest cost	17.77	23.61
Current service cost	55.68	78.43
Benefits paid	(78.12)	(95.00)
Actuarial (gain) on obligations	(71.18)	(66.83)
Liability at the end of the year	**258.53**	**334.38**

Table of recognition of actuarial (gain) / loss :

Particulars	**Year ended 31st March 2021**	**Year ended 31st March 2020**
Actuarial (gain) on obligation for the year	(71.18)	(66.83)
Actuarial (gain)/loss on assets for the year	-	-
Actuarial (gain)/loss recognized in Statement of Profit and Loss	**(71.18)**	**(66.83)**

Amount recognized in the Balance Sheet:

Particulars	**As at 31st March 2021**	**As at 31st March 2020**
Liability at the end of the year	258.53	334.38
Fair value of plan assets at the end of the year	-	-
Amount recognized in the Balance Sheet	**258.53**	**334.38**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

Expenses recognized in the Statement of profit and loss:

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Current service cost	55.68	78.43
Interest cost	17.77	23.62
Actuarial (Gain)	(71.18)	(66.83)
Expense recognized in Statement of Profit and Loss	**2.27**	**35.22**

Balance Sheet Reconciliation

Particulars	As at 31st March 2021	As at 31st March 2020
Opening net liability	334.38	394.16
Expense recognised in Statement of Profit and Loss	2.27	35.22
Benefits paid	(78.12)	(95.00)
Amount recognized in Balance Sheet	**258.53**	**334.38**
Non-current portion of defined benefit obligation	192.70	247.85
Current portion of defined benefit obligation	65.83	86.53

Sensitivity analysis of benefit obligation (Leave encashment)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
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%	234.71	296.90
b) Impact due to decrease of 0.5%	246.92	312.42
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%	246.85	312.36
b) Impact due to decrease of 0.5%	234.71	296.89
c)Impact of change in withdrawal rate		
Present value of obligation at the end of the year		
a) withdrawal rate Increase of 1% to 10%	240.27	304.24
b) withdrawal rate decrease of 1% to 10%	241.05	304.66
d)Impact of change in mortality rate		
Present value of obligation at the end of the year		
a) Impact due to increase of 1% of 10%	240.65	304.45
b) Impact due to decrease of 1% to 10%	240.63	304.48

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

Maturity profile of defined benefit obligation

Particulars	As at 31st March 2021	As at 31st March 2020
Weighted average duration of the defined benefit obligation	8.15	12.58
Projected benefit obligation	258.53	334.39

Payout analysis

Particulars	As at 31st March 2021	As at 31st March 2020
1st year	50.40	63.85
2nd year	34.08	40.07
3rd year	28.13	39.34
4th year	25.62	32.30
5th year	26.73	30.08
Next 5 year payout (6-10 year)	88.55	117.06

53 Leases

I) Group as lessee:

The Group has taken hotel property under operating lease under non-cancellable operating leases. The Group has recognised management fees / rent expenses of Rs. 110.55 lakhs during the year (Previous Year Rs. 338.23 lakhs) which is contingent in nature.

Note:

a) 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 116 - 'Leases' are not quantifiable with respect to such arrangements as at 31st March 2021.

b) For depreciation and carrying value of right of use asset, refer table below:

ROU asset	Carrying value as at year ended 31st March 2021	Depreciation for the year
Land & building	2,120.06	50.88

ROU asset	Carrying value as at year ended 31st March 2020	Depreciation for the year
Land & building	2,170.94	51.01

c) Disclosure with respect to lease under Ind AS-116 Leases:

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Interest expense on lease liabilities	306.96	305.60
Lease expenses in case of short term leases	-	-
Lease expenses in case of low value leases (other than short term as disclosed above)	-	-
Lease expenses debited to lease liabilities	259.70	284.17
Total cash outflow for leases [incl. short term & low value leases]	154.48	41.83
Additions to ROU assets	-	1,887.48
Variable lease payments not considered in measurement of lease liabilities	110.55	338.23

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

II) Group as a lessor

The Group has given shops, office premises and hotel property under operating lease under non-cancellable operating leases. The Group had recognised management fees or royalty income of Rs. 127.82 lakhs (Previous year Rs. 212.75 lakhs). Maturity analysis of minimum lease income (undiscounted and excluding variable lease income) for above lease arrangement are as follows:

Particulars	As at 31st March 2021	As at 31st March 2020
Not later than one year	110.37	138.49
Later than one year and not later than five years	31.70	159.75
Later than five years	2.62	-
	144.69	**298.24**

Total contingent rent income (in the form of management or royalty fees) recognised is Rs. 19.20 lakhs (Previous year Rs. 9.13 lakhs).

Note:

With respect to hotel property given under operation and management agreement, Group 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 116 - 'Leases' are not quantifiable with respect to such arrangement as at 31st March 2021 and as at 31st March 2020.

54 Note on statement of cash flows

i) The aggregate amount of inflow / (outflow) on account of direct taxes is Rs. 209.26 lakhs (Previous year: (Rs. 61.30 lakhs)) after refunds received.

ii) Changes in financing liabilities arising from cash and non-cash changes:

Particulars	Opening	Cash inflows / (outflows)	Non-cash changes		Closing
			Others	Interest accruals	
For the year ended 31st March 2021					
Borrowings (including interest dues)	46,451.48	617.17	-	3,426.11	50,494.76
Lease liabilities	1,889.74	(154.48)	-	306.96	1,894.63
For the year ended 31st March 2020					
Borrowings (including interest dues)	51,664.30	(5,760.45)	(2,369.28)	2,916.91	46,451.48
Lease liabilities	1,887.48	(41.83)	-	305.60	1,889.74

iii) Breakup of cash and cash equivalent is as given below:

Particulars	As at 31st March 2021	As at 31st March 2020
Cash and cash equivalent as per note 20	1,346.85	1,535.19
Less: Bank balance - book overdraft as per note 36	-	(266.26)
Less: Fixed deposits regrouped under cash & cash equivalents	-	(74.10)
Net cash and cash equivalent	1,346.85	1,194.83
Less: Cash and cash equivalent shown under financing activity	-	-
Net cash and cash equivalent as disclosed in cash flow statement	**1,346.85**	**1,194.83**

55 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 2021 and 31st March 2020.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

56 Going concern assumption

i) As per the standalone financial results, the holding company's accumulated losses are in excess of its paid up capital and reserves and its current liabilities are significantly greater than the current assets as on 31st March 2021. Further, in respect of loans, there are non-payment of stipulated instalments comprising of principal and interest. In the opinion of the management, considering management's action to mitigate the impact of COVID-19 as described in note 59 of these consolidated financial statement which is also demonstrated through positive earnings before interest, taxes and depreciation (EBITDA), restructuring which are approved by the lenders and management's request for seeking extension of the loan dues as stated in note 28.4(d) above, the future business prospects from prime hotel properties situated nearby domestic and international airports in Mumbai, the fact that the fair values of the assets of the holding company are significantly higher than the borrowings/debts and that the holding company has been exploring possibilities to divest/liquidate some of its properties, the standalone financial statements of the 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.

ii) Subsidiary company (OHPPL) has incurred loss in the current year and previous year, its net worth is fully eroded and its current liabilities exceeds the current assets as on 31st March 2021 and 31st March 2020. Further, there are defaults in repayment of loans & interest and non-provision of interest. Considering, the limited support available from the Holding Company due to its financial constraints, provision for impairment of property, plant and equipments made in the previous year [also refer note 46.3] and earlier year and management's action to mitigate the impact of COVID-19, in the opinion of the management, the financial statements of the subsidiary company are prepared on going concern basis.

iii) Subsidiary company (MPPL) has incurred losses in the current year and in previous year. Further, its accumulated losses are in excess of its paid up capital and reserves and its current liabilities are exceeding current assets as on 31st March 2021 and 31st March 2020. In the opinion of the management, 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; (c) commitment from the Holding Company for financial support from time to time and (d) management's action to mitigate the impact of COVID-19.

iv) There are accumulated losses, negative net worth and negative working capital in Holding company and two subsidiaries (OHPPL & MPPL). 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, improve the cash flows, management's request for seeking extension of the loan dues where applicable, management's action to mitigate the impact of COVID-19 as described in note 59 of the consolidated financial statements and also fair value of the assets of Holding Company are significantly higher than the borrowing/debts. In view of the above and in the opinion of management, the consolidated financial statements have also been prepared on a going concern basis.

57 During the previous year, Group's three hotel properties in Orissa were affected due to 'Cyclone Fani'. a) In resect of Holding Company, net block of assets destroyed was Rs. Nil. Pending final approval, insurance claim was not recognised as revenue in the year ended 31st March 2020. During the current year, final claim has been settled by the insurance company and consequently, amount of Rs. 373.17 lakhs has been accounted as revenue in the current year. b) In respect of subsidiary company (MPPL), since the insurance claim was pending to be filed at that time, based on the management's assessment, expected loss (net of insurance claim) of Rs. 264.43 lakhs was accounted in the previous year and disclosed as 'exceptional item'. Further, during the current year, based on assessment of claim receivable, additional loss of Rs. 5.97 lakhs was recognised in the statement of profit and loss. The balance insurance claim was received during the current year.

58 The subsidiary company (OHPPL) is in the process of appointing Company Secretary (key managerial personnel) as required by Section 203 of the Companies Act, 2013.

59 Due to outbreak of COVID-19 pandemic, there is a significant impact on the business operations of the Group and joint venture. With the lifting of the lockdown restrictions by Central and State Governments, the Group and joint venture have re-opened their hotels and operations have gradually increased. On account of above, the Group and joint venture have carried out impairment assessment for the carrying value of property, plant & equipment, right of use asset, intangible assets, trade receivables, inventories and other assets based on the internal and external information upto the date of approval of these financial results including potential impact on account of COVID-19. Based on such assessment, in the opinion of management of Group and joint venture, no further provision for impairment is required to be made as the carrying amount of all the assets is expected to be recovered. Further, the Holding Company and joint venture have requested its lenders for extension of payment of dues in view of the challenges faced on account of COVID-19. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Group and joint venture will continue to monitor the future economic conditions and assess its impact on consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

60 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, 2021

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	11.82	(1,875.98)	76.16	(2,723.05)
Subsidiaries				
Orchid Hotels Pune Private Limited	183.69	29,159.96	21.10	(754.46)
Kamats Restaurants (India) Private Ltd	0.01	(1.14)	0.01	(0.36)
Mahodadhi Palace Private Limited	9.21	(1,461.26)	11.88	(424.88)
Fort Jadhavgadh Hotels Private Limited	0.01	(2.11)	0.01	(0.41)
Orchid Hotel Eastern (India) Private Ltd.	(0.20)	32.44	(0.00)	0.02
(Formely known as Green Dot Restaurant Private Limited)				
Joint Venture				
Ilex Developers and Resorts Limited	(0.26)	41.33	1.88	(67.18)
Consolidation adjustment / eliminations	(104.27)	16,552.05	(11.04)	394.78
Total	**100.00**	**(15,874.63)**	**100.00**	**(3,575.54)**

31st March, 2020

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	(6.89)	847.07	144.04	3,579.09
Subsidiaries				
Orchid Hotels Pune Private Limited	230.96	(28,405.50)	(31.41)	(780.46)
Kamats Restaurants (India) Private Ltd	0.01	(0.78)	(0.01)	(0.35)
Mahodadhi Palace Private Limited	8.43	(1,036.38)	(7.81)	(194.09)
Fort Jadhavgadh Hotels Private Limited	0.01	(1.70)	(0.02)	(0.39)
Orchid Hotel Eastern (India) Private Ltd.	(0.26)	32.42	0.02	0.54
(Formely known as Green Dot Restaurant Private Limited)				
Joint Venture				
Ilex Developers and Resorts Limited	(0.88)	108.51	(1.17)	(29.10)
Consolidation adjustment / eliminations	(131.37)	16,157.27	(3.64)	(90.44)
Total	**100.00**	**(12,299.09)**	**100.00**	**2,484.80**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

61 Financial instruments - Accounting classifications & fair value measurement

(a) Financial instruments by category

Sr. No.	Particulars	31st March 2021			31st March 2020		
		Amortised Cost	FVTOCI	FVTPL	Amortised Cost	FVTOCI	FVTPL
A	**Financial assets**						
(i)	Non-current investments	-	-	19.66	-	-	15.32
(ii)	Non-current loans	2,082.31	-	-	2,005.50	-	-
(iii)	Other non-current financial assets	25.21	-	-	27.64	-	-
(iv)	Trade receivables (net)	567.54	-	-	1,006.52	-	-
(v)	Cash and cash equivalents	1,346.85	-	-	1,535.19	-	-
(vi)	Other bank balances	103.78	-	-	108.96	-	-
(vii)	Other current financial assets	29.61	-	-	70.90	-	-
(viii)	Investments	-	-	5.28	-	-	3.81
(ix)	Loans	71.95	-	-	13.61	-	-
	Total financial assets	**4,227.25**	**-**	**24.94**	**4,768.32**	**-**	**19.13**
B	**Financial liabilities**						
(i)	Non-current borrowings	6,419.49	-	-	20,622.70	-	-
(ii)	Lease liabilities - non-current	1,697.05	-	-	1,666.52	-	-
(iii)	Other non-current financial liabilities	107.96	-	-	119.86	-	-
(iv)	Trade payables	2,408.57	-	-	2,733.95	-	-
(v)	Lease liabilities - current	197.58	-	-	223.22	-	-
(vi)	Other current financial liabilities	47,503.27	-	-	29,870.28	-	-
	Total financial liabilities	**58,333.92**	**-**	**-**	**55,236.53**	**-**	**-**

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. 41.33 lakhs as on 31st March, 2021 (Previous year: Rs. 422.38 lakhs) as these are valued at cost in accordance with Ind AS 27 - 'Separate Financial Statement'.

(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, Borrowings, Financial liabilities, Trade payables, Current lease liabilities, Other current financial liabilities etc., 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

(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 2021		31st March 2020	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets					
Non-current investments	Level 1	0.03	0.03	0.02	0.02
Non-current investments	Level 2	19.63	19.63	15.30	15.30
Current investments	Level 1	5.28	5.28	3.81	3.81
Total financial assets		**24.94**	**24.94**	**19.13**	**19.13**

Notes:

(i) The Group has not disclosed the fair value of financial instruments such as trade receivables, trade payables, short term loans, deposits, borrowings etc. because their carrying amounts are a reasonable approximation 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 March 31, 2021, March 31, 2020.

(e) Financial / bank guarantee contracts

Particulars	As at 31st March 2021	As at 31st March 2020
(a) Corporate guarantee given to a bank in respect of credit facilities availed by Joint Venture Company	1,000.00	1,000.00
(b) Counter guarantee issued by the Company to secure bank guarantee obtained by the Company	32.34	32.34

In respect of (a) above, fair value of financial guarantee contract is Rs. Nil for the reasons stated in note 2.4(x) and note 36.1(i).

62 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 analyse 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

(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 2021	31st March 2020
Balance at the beginning	1,437.61	1,512.72
Less: Utilized (Excluding towards customs deposits of Rs. 45 lakhs)	11.17	13.71
	1,426.44	1,499.01
Add/(Less): Provision for ECL made in the year / (written back)	95.56	(61.40)
Balance at the year end	**1,522.00**	**1,437.61**

(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 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. The Group is also taking the various measures to overcome the challenges posed by the COVID-19 pandemic as explained in note 56 and 59.

(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 2021				
Borrowings	-	6,419.49	-	6,419.49
Lease liabilities	197.58	652.05	1,045.00	1,894.63
Trade payables	2,408.57		-	2,408.57
Other financial liabilities	86.65	-	21.31	107.96
Other current financial liabilities	47,503.27	-	-	47,503.27
As at 31st March 2020				
Borrowings	-	20,622.70	-	20,622.70
Lease liabilities	223.22	724.37	942.15	1,889.74
Trade payables	2,733.95	-	-	2,733.95
Other financial liabilities	93.91	-	25.95	119.86
Other current financial liabilities	29,870.28	-	-	29,870.28

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

(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 Company'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. 3,558.79 lakhs as at 31st March 2021 (as at 31st March 2020 Rs. 3,581.90 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 subsidiaries (Orchid Hotels Pune Private Limited), it has not provided / paid any interest on the loan. 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.

63 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. Breaches in meeting the financial covenants would permit the lenders to immediately call loans and borrowings. Based on the loan extentions and also the verbal / in-principle approvals received during the year, the event of default is not triggered. To manage the capital, the management has requested the lenders for extension of the loan dues and also exploring possibilities to divest/liquidate some of its properties. Also refer note 56 and 59.

As stated in note 36.1(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.

The Group’s total Debt to Equity are as follows, the necessary actions for its improvement are being taken by the Group:

Particulars	**As at 31st March 2021**	**As at 31st March 2020**
Total debt*	45,056.89	43,927.88
Total capital (total equity shareholder's fund)	(15,874.63)	(12,299.09)
Net debt to equity ratio	NA	NA

*** Total debt = Non-current borrowings + current borrowings + current maturities of non-current borrowings**

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2021 and March 31, 2020.

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: 29th June, 2021

For and on behalf of the Board of Directors

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

Ramnath P. Sarang
Director
(DIN : 02544807)

Smita Nanda
Chief Financial Officer

Hemal Sagalia
Company Secretary

Place: Mumbai
Date: 29th June, 2021

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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	2020-2021	INR	1,176.47	(30,336.43)	17,150.00	46,309.96	-	1,552.21	(774.16)	-	(774.16)	19.70	(754.46)	Nil	100%
			2019-2020	INR	1,176.47	(29,581.97)	18,044.35	46,449.85	-	4,483.08	(778.28)	-	(778.28)	(2.18)	(780.46)	Nil	100%
2	Kamats Restaurants (India) Private Limited	28/05/2011	2020-2021	INR	1.00	(2.14)	0.18	1.32	-	-	(0.36)	-	(0.36)	-	(0.36)	Nil	100%
			2019-2020	INR	1.00	(1.78)	0.15	0.93	-	-	(0.35)	-	(0.35)	-	(0.35)	Nil	100%
3	Mahodadhi Palace Private Limited (Formerly Fort Mahodadhinivas Palace Private Limited)	30/04/2011	2020-2021	INR	1.00	(1,462.26)	1,141.86	2,603.12	-	23.18	(554.33)	129.45	(424.88)	-	(424.88)	Nil	100%
			2019-2020	INR	1.00	(1,037.38)	1,712.75	2,749.13	-	64.05	(268.28)	74.19	(194.09)	-	(194.09)	Nil	100%
4	Fort Jadhavgadh Hotels Private Limited	15/03/2012	2020-2021	INR	1.00	(3.11)	0.17	2.28	-	-	(0.41)	-	(0.41)	-	(0.41)	Nil	100%
			2019-2020	INR	1.00	(2.70)	0.14	1.84	-	-	(0.39)	-	(0.39)	-	(0.39)	Nil	100%
5	Orchid Hotels Eastern (India) Private Limited (Formerly Green Dot Restaurants Private Limited)	25/10/2012	2020-2021	INR	1.00	31.44	32.48	0.04	-	0.40	0.03	0.01	0.02	-	0.02	Nil	100%
			2019-2020	INR	1.00	31.42	32.52	0.10	-	1.22	0.84	0.22	0.63	-	0.63	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 2021	23 March 2010	266500	533.00	32.92%	258.75	(67.18)	(116.18)	32.92% Shareholding	not a subsidiary
		31 March 2020		266500	533.00	32.92%	319.11	(29.10)	(53.57)	32.92% Shareholding	not a subsidiary

As per our audit report of even date

For and on behalf of the Board of Directors

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

Ramnath Sarang
Director
(DIN : 02544807)

Smita Nanda
Chief Financial Officer

Hemal Sagalia
Company Secretary

Place: Mumbai
Date: 29th June, 2021

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Financial Highlights of the Company (Standalone)

Rs. in lakhs

Particulars	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
Income from operations	5,162.26	17,868.93	19,239.08	17,528.61	15,466.91	15,084.55	13,331.29	13,405.76	13,831.97	14,162.77	12,070.28
Other Income	100.49	89.99	180.19	497.10	995.51	731.65	599.34	2,273.30	2,455.29	2,229.04	257.56
Total Income	5,262.75	17,958.92	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
Total Expenditure	9,350.68	16,734.71	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
Profit/(Loss) Before Tax (including Exceptional items)	(3,714.76)	3,593.49	3,582.25	5,108.46	3,482.94	(553.14)	(6,469.57)	(24,810.60)	(916.65)	18.61	506.01
Taxation	(957.56)	23.90	1,075.29	*1,319.43*	24.99	(117.17)	(553.88)	(1,549.91)	(350.26)	(80.58)	349.10
Profit/(Loss) After Tax	(2,757.20)	3,569.59	2,506.96	3,789.03	3,817.95	(8,528.27)	(5,915.69)	(23,260.69)	(566.39)	99.19	137.32
Equity Share Capital	2,417.26	2,417.26	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
Reserves and Surplus	(4,293.24)	(1,570.19)	(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
Net-worth	(2,169.91)	553.14	(3,025.77)	(5470.62)	(9255.75)	(11,461.69)	(2,933.42)	3,542.28	24,316.87	24,883.26	19,139.75
Earning per Share (Rs.)	(11.69)	15.14	10.63	16.07	16.19	(36.16)	(25.08)	(111.67)	(2.97)	0.62	0.96
Book Value per Share (Rs.)	(9.20)	2.35	(12.83)	(23.20)	(39.25)	(48.54)	(12.44)	15.02	127.36	130.32	127.25
Return on Net Worth (percentage)	NA	645.33	NA	NA	NA	NA	NA	(656.66)	(2.33)	0.40	0.72
Dividend	-	-	-	-	-	-	-	-	-	-	-