

30<sup>th</sup> July, 2020

To,  
DCS,  
Bombay Stock Exchange Limited  
PhirozeJeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001.

To,  
The Manager  
Listing Department  
National Stock Exchange of India Limited  
Exchange Plaza, C-1, Block G,  
Bandra –KurlaComplex,  
Bandra (E), Mumbai – 400 051

Code: 526668.

Code:- KAMATHOTEL-EQ

Dear Sirs,

**Sub: Outcome of the Board Meeting held on 30<sup>th</sup> July, 2020.**

Pursuant to Regulations 30 & 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors at its meeting held today i.e. 30<sup>th</sup> July, 2020 has inter alia approved and taken on record the following decisions:

1. Pursuant to Regulation 33(3)(d) of SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015 read with SEBI Circular No. CIR/CFD/CMD/56/2016 dated 27<sup>th</sup> May, 2016, approved and taken on record the Standalone and Consolidated Audited Financial Results of the Company for the quarter and financial year ended 31<sup>st</sup> March, 2020, which has been audited by M/s. N. A. Shah Associates LLP, Chartered Accountants and Statutory Auditors of the Company. The same is enclosed herewith along with Auditors’ Report with an Unmodified Opinion in respect of the Standalone Financial Results and Modified Opinion in respect of the Consolidated Financial Results for the quarter and financial year ended 31<sup>st</sup> March, 2020.
2. Ms. Shruti Shrivastava is appointed as Company Secretary and Compliance Officer of the Company w.e.f. 30<sup>th</sup> July, 2020 in place of Mr. Shailesh Bhaskar, being the whole time Key Managerial person of the Company pursuant to Section 203 of the Companies Act 2013 and Regulation 30(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. Brief profile of Ms. Shruti Shrivastava is enclosed herewith as **Annexure -A**.

Contd..

REGD OFF.: 70-C, Nehru Road, Vile Parle (East), Mumbai - 400 099, India. Tel.: 2616 4000, Fax : 2616 4203  
Email-Id : cs@khil.com | Website: www.khil.com | CIN: L55101MH1986PLC039307



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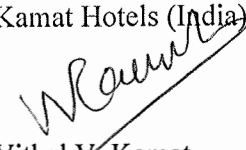
The Meeting of the Board of Directors of the Company commenced at 12-15 p.m. and concluded at 2:50p.m.

Kindly take the same on your record and oblige.

Thanking you,

Yours faithfully,

For Kamat Hotels (India) Limited

  
Dr. Vithal V. Kamat  
(DIN: 00195341)  
Executive Chairman and Managing Director  
Encl. a/a.

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**Annexure A:**

Particulars	Information
Reason for change viz. appointment, resignation, removal, death or otherwise	Appointment of Ms. Shruti Shrivastava as a Company Secretary and Compliance Officer of the Company.
Date of appointment/cessation (as applicable) & term of appointment	Appointment as Company Secretary and Compliance Officer, Whole time Key Managerial Personnel of the company w.e.f 30 <sup>th</sup> July, 2020.
Brief profile (in case of appointment)	Ms. Shruti Shrivastava is a qualified Company Secretary and an Associate Member of the Institute of Company Secretary of India (ACS 38169) and also has a bachelor’s degree in commerce from Pt. Ravishanker Shukla University, Raipur (C.G). She has approximately 7 years of experience in the field of secretarial and compliance functions
Disclosure of relationships between directors (in case of appointment of a director).	Not Applicable

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# N. A. SHAH ASSOCIATES LLP

Chartered Accountants

Independent Auditor's Report on standalone financial results of Kamat Hotels (India) Limited pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

ORIGINAL

To  
The Board of Directors of  
Kamat Hotels (India) Limited

## Report on audit of standalone financial results for the year ended 31<sup>st</sup> March 2020

### Opinion

We have audited the accompanying statement of standalone financial results ('the Statement') of **Kamat Hotels (India) Limited** ('the Company') for the year ended 31<sup>st</sup> March 2020, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations'), which has been initialled by us for identification purpose.

In our opinion and to the best of our information and according to the explanations given to us, these standalone financial results:

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information for the year ended 31<sup>st</sup> March 2020.

### Basis of opinion

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

### Material uncertainty related to going concern

Reference is invited to note 4 of the Statement. There are accumulated losses in the Company and current liabilities exceed the current assets as on 31<sup>st</sup> March 2020 and 31<sup>st</sup> March 2019. Further, in respect of loans, there are delays in repayment of principal and payment of interest; and instalments of Rs. 1,934.00 lakhs are due and unpaid as at 31<sup>st</sup> March 2020. In the opinion of the management, considering the future business prospects, management's action to mitigate the impact of COVID-19 as described in note 6 of the Statement, management's request for seeking extension of the loan dues as stated in note 3(a) of the Statement (also refer para (b) in Emphasis of matter paragraph below) and the fact that the fair values of the assets of the Company are significantly higher than the borrowings/debts, these standalone financial results have been prepared on a going concern basis which contemplates realisation of assets and settlement of liabilities in the normal course of Company's business.



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Our opinion is not modified in respect of the above matter. In respect of above matter, attention was also drawn by us in our report for the quarter ended 31<sup>st</sup> December 2019, 30<sup>th</sup> September 2019, 30<sup>th</sup> June 2019 and for earlier quarters / years. Our opinion was not modified in respect of above matter in quarters of current year and earlier quarters / years also.

### Emphasis of matter

- (a) Attention is invited to note 10 of the Statement. During the current quarter, the Company has written back loan amounting to Rs. 2,369.28 lakhs, on account of allocation between the principal amount of loan and interest in respect of installments to be paid by the Company in accordance with modified terms and conditions of the loan as per letter dated 29<sup>th</sup> January 2020 issued by the lender. 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 Instruments' on the basis of opinion obtained from an expert and its ability to make prepayment of loan. This being a subjective matter, we have relied on the management's view for the above de-recognition and reversal of liability. The write back of loan is disclosed as exceptional item.
- (b) Attention is invited to note 3(a) of the Statement. During the current quarter, there are delays in repayment of principal, payment of interest and there are unpaid instalments amounting to Rs. 1,934.00 lakhs which were due/overdue as on 31<sup>st</sup> March 2020. The Company has requested all lenders in the month of March 2020 for the extension of the dues considering the impact on account of COVID-19. We are informed that though written confirmation from all the lenders for extension are awaited, all lenders have agreed for the extension either verbally or has given in principle approval. In view of the above, in the opinion of the management, event of default is not triggered in any case and therefore, there is no other accounting implications and reclassification of non-current borrowings to current liabilities is not required as at 31<sup>st</sup> March 2020. Further, as stated in note 3(b) of the Statement and considering the above, in the opinion of the management, no intimation is required to be given to the stock exchange for unpaid loan instalments as at 31<sup>st</sup> March 2020 as required by SEBI circular dated 21<sup>st</sup> November 2019.
- (c) Attention is invited to note 11 of the Statement. The Company has paid remuneration to its executive chairman and managing director for the financial year ended 31<sup>st</sup> March 2020 which is in excess of the limits prescribed under section 197 of the Act (read with Schedule V of the Act) by Rs. 41.94 lakhs; the said excess managerial remuneration is subject to approval of shareholders at the upcoming general meeting.
- (d) Reference is invited to note 6 of the Statement, 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 the above matters.

### Management's responsibility for the Statement

The Statement has been prepared on the basis of the standalone annual financial statements. The Company's Board of Directors are responsible for the preparation of the Statement that gives a true and fair view of the net profit and other comprehensive income and other financial information in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act



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

In preparing the Statement, the Board of Directors are 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 the Board of Directors 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 responsibility for the audit of the Statement**

Our objectives are to obtain reasonable assurance about whether the Statement 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 the Statement.

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



## N. A. SHAH ASSOCIATES LLP

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- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the Statement of the Company to express an opinion on the Statement.

Materiality is the magnitude of misstatements in the Statement that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Statement 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 Statement.

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.

### Other matters

- (a) Due to COVID-19 related lockdown, we could not be present during physical verification of inventories carried out by management. We have relied on the same and performed alternate procedures to audit the existence of inventory as at year end.
- (b) The Statement includes the results for the quarter ended 31<sup>st</sup> March 2020 being the derived figures between the audited figures in respect of the full financial year ended 31<sup>st</sup> March 2020 and the unaudited published year-to-date figures up to 31<sup>st</sup> December 2019, being the date of the end of the third quarter of the current financial year, which were subjected to a limited review.

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

### For N. A. Shah Associates LLP

Chartered Accountants

Firm's registration number: 116560W / W100149

**Sandeep Shah**

Partner

Membership number: 037381

UDIN: 20037381AAAACN7351



Place: Mumbai

Date: 30<sup>th</sup> July 2020

**Independent Auditor's Report on the consolidated financial results of Kamat Hotels (India) Limited pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

To  
The Board of Directors of  
**Kamat Hotels (India) Limited**

**Report on consolidated financial results for the year ended 31<sup>st</sup> March 2020**

**Qualified opinion**

We have audited the accompanying consolidated financial results of **Kamat Hotels (India) Limited** ('the Holding Company'), comprising its subsidiaries, (the Holding Company and its subsidiaries collectively referred to as 'the Group') and joint venture entity for the year ended 31<sup>st</sup> March 2020 ('the Statement'), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), which has been initialled by us for identification purpose.

Attention is drawn to the fact that in terms of the requirement of the SEBI circular, consolidated unaudited figures for the corresponding quarter ended 31<sup>st</sup> March 2019 have been approved by the Holding Company's Board of Directors, but have not been subject to audit by us. Also refer note 17 of the Statement.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Statement:

- i. includes annual audited financial results of the following subsidiaries:
  - a) Orchid Hotel Pune Private Limited ('OHPPL')
  - b) Mahodadhi Palace Private Limited ('MPPL')
  - c) Orchid Hotel Easter (India) Private Limited (OHEIPL') (formerly known as Green Dot Restaurants Private Limited)
  - d) Fort Jadhavgadh Hotels Private Limited ('FJHPL')
  - e) Kamats Restaurants (India) Private Limited (KRIPL');
- ii. includes annual audited financial results of the Joint Venture: Ilex Developers and Resorts Limited ('IDRL');
- iii. has been presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- iv. except for the effect of the matters described in basis of qualified opinion paragraph below, give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information of the Group and joint venture for the year ended 31<sup>st</sup> March 2020.

**Basis of qualified opinion**

In respect of subsidiary company ('OHPPL'), reference is invited to note 6(i) of the Statement. As against the lender's (International Asset Reconstruction Private Limited ('IARC')) claim upto 24<sup>th</sup> December 2018 of Rs. 42,110.91 lakhs, the liability as per the books is only Rs. 18,833.99 lakhs (this amount includes interest liability accounted in books upto 30<sup>th</sup> September 2013). In previous year, IARC had acquired this loan on assignment from Asset Reconstruction Company India Limited ('ARCIL') at a consideration of Rs. 13,500 lakhs. Interest has not been provided from 1<sup>st</sup> October 2013 till 31<sup>st</sup> March 2020. In our view, the same is not in compliance with Ind AS 23 - Borrowing Cost. In the opinion of the management, no further liability for interest is required to be accounted considering the negotiations for settlement of the loan (including interest) is under process and management's expectation that settlement amount



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Chartered Accountants

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would not be higher than the amounts already recorded in the books. Further, the change in claim, if any, by the lender from 25<sup>th</sup> December 2018 till 31<sup>st</sup> March 2020 has not been considered above.

Had the provision been made based on the claim made by the lender, borrowing cost for the current year and previous year and the negative net worth as at 31<sup>st</sup> March 2020 would increase by the amount of difference in liability as stated above plus the interest from 25<sup>th</sup> December 2018 upto 31<sup>st</sup> March 2020, both of which have not been provided as per management's view mentioned above.

In respect of above matter, qualification was also given in our report for the quarter ended 31<sup>st</sup> December 2019, 30<sup>th</sup> September 2019, 30<sup>th</sup> June 2019 and for the year ended 31<sup>st</sup> March 2019 and 31<sup>st</sup> March 2018.

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

### Material uncertainty related to going concern

Attention is invited to note 5, 6(ii) and 7 of the Statement, 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 8(i) related to material uncertainty related to going concern at Group level. In consolidated financial results, 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 results 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 (c) in Emphasis of matter paragraph below], management's action to mitigate the impact of COVID-19 as described in note 11 of the Statement 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 results have also been prepared on a going concern basis.

Our opinion is not modified in respect of above matter. In respect of above matter, attention was also drawn by us in our report for the quarter ended 31<sup>st</sup> December 2019, 30<sup>th</sup> September 2019, 30<sup>th</sup> June 2019 and for the year ended 31<sup>st</sup> March 2019 and 31<sup>st</sup> March 2018. Our opinion was not modified in respect of above matter in earlier quarters / years also.

### Emphasis of matter

- (a) Attention is invited to note 6(iii) of the Statement. In respect of dispute over lease rent levied by Director of Sports, subsidiary company (OHPPL) has accounted for the liability amounting to Rs. 1,405.94 lakhs for the period from 1<sup>st</sup> November 2014 to 31<sup>st</sup> March 2020; however, the same has not been paid pending arbitration application before Hon'ble Bombay High Court and pending matter in the District Court, Pune. Further, during the current quarter, the Hon'ble Bombay High Court has appointed sole arbitrator to resolve the disputes. Interest / penalty, if any, will be accounted in the period / year in which dispute will be resolved.



# N. A. SHAH ASSOCIATES LLP

Chartered Accountants

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- (b) Attention is invited to note 15 of the Statement. During the current quarter, the Holding Company has written back loan amounting to Rs. 2,369.28 lakhs, on account of allocation between the principal amount of loan and interest in respect of installments to be paid by the Holding Company in accordance with modified terms and conditions of the loan as per letter dated 29<sup>th</sup> January 2020 issued by its lender. Further, the effective interest rate (EIR) has been recomputed based on the revised principal amount. The management of the Holding Company 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 Instruments' on the basis of opinion obtained from an expert and its ability to make prepayment of loan. This being a subjective matter, we have relied on the management of Holding Company's view for the above de-recognition and reversal of liability. The write back of loan is disclosed as exceptional item.
- (c) Attention is invited to note 4(a) of the Statement. In respect of Holding Company, during the current quarter, there are delays in repayment of principal, payment of interest and there are unpaid instalments amounting to Rs. 1,934.00 lakhs which were due/overdue as on 31<sup>st</sup> March 2020. The Holding Company has requested all lenders in the month of March 2020 for the extension of the dues considering the impact on account of COVID-19. We are informed that though written confirmation from all the lenders for extension are awaited, all lenders have agreed for the extension either verbally or has given in principle approval. In view of the above, in the opinion of the management, event of default is not triggered in any case and therefore, there is no other accounting implications and reclassification of non-current borrowings to current liabilities is not required as at 31<sup>st</sup> March 2020. Further, as stated in note 4(b) of the Statement and considering the above, in the opinion of the management, no intimation is required to be given to the stock exchange for unpaid loan instalments as at 31<sup>st</sup> March 2020 as required by SEBI circular dated 21<sup>st</sup> November 2019.
- (d) Attention is invited to note 18 of the Statement. The Holding Company has paid remuneration to its executive chairman and managing director for the financial year ended 31<sup>st</sup> March 2020 which is in excess of the limits prescribed under section 197 of the Act (read with Schedule V of the Act) by Rs. 41.94 lakhs; the said excess managerial remuneration is subject to approval of shareholders at the upcoming general meeting.
- (e) Attention is invited to note 11 of the Statement, 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.
- (f) Attention is invited to note 6(v) of the Statement, that the subsidiary company (OHPPL), is in the process of appointing Chief Financial Officer and Company Secretary (key managerial personnel) as required by Section 203 of the Companies Act, 2013.

Our opinion is not modified in respect of above matters. In respect of matter covered in (a) above, attention was also drawn by us in our report for the quarter ended 31<sup>st</sup> December 2019, 30<sup>th</sup> September 2019, 30<sup>th</sup> June 2019 and for the year ended 31<sup>st</sup> March 2019 and 31<sup>st</sup> March 2018. Our opinion was not modified in respect of above matter in earlier quarters / years also.

### Management's responsibilities for the Statement

The Statement has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation of the Statement that give a true and fair view of the net profit and other comprehensive income and other financial information of the Group and its joint venture in accordance with Indian Accounting Standard prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group and its joint venture are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its joint venture and for preventing and detecting frauds.



  
**N. A. SHAH ASSOCIATES LLP**  
Chartered Accountants

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and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial results 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 and presentation of the Statement by the management of the Holding Company, as aforesaid.

In preparing the Statement, the respective Board of Directors of the companies included in the Group and its joint venture are responsible for assessing ability of the Group and its joint venture continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group and its joint venture or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and its joint venture are also responsible for overseeing financial reporting process the Group and its joint venture.

**Auditor's responsibilities for the audit of the Statement**

Our objectives are to obtain reasonable assurance about whether the Statement 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 the Statement.

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 Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group and its joint venture 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 Board of Director'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 joint venture 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 Statement 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 joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.



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- Obtain sufficient appropriate audit evidence regarding the financial results / financial information of the entities within the Group and its joint venture entity to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement of which we are the independent auditors.

Materiality is the magnitude of misstatements in the Statement that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Statement 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 Statement.

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.

**Other matters**

- (a) Due to COVID-19 related lockdown, we could not be present during physical verification of inventories carried out by respective management of Group, where applicable. We have relied on the same and performed alternate procedures to audit the existence of inventory as at year end.
- (b) The Statement includes the results for the quarter ended 31<sup>st</sup> March 2020 being the derived figures between the audited figures in respect of the full financial year ended 31<sup>st</sup> March 2020 and the unaudited year-to-date published figures up to 31<sup>st</sup> December 2019, being the date of the end of the third quarter of the current financial year, which were subjected to a limited review.

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

**For N. A. Shah Associates LLP**

Chartered Accountants

Firm's registration number: 116560W / W100149



**Sandeep Shah**

Partner

Membership number: 037381

UDIN: 20037381AAAAC P43 11



Place: Mumbai

Date: 30<sup>th</sup> July 2020

Statement of standalone financial results for the quarter and year ended 31st March 2020

Sr. No.	Particulars	(Rs. in Lakhs)			
		Quarter ended 31st March 2020 Unaudited (Refer note 12)	Quarter ended 31st December 2019 Unaudited	Quarter ended 31st March 2019 Unaudited	Year ended 31st March 2020 Audited
1	<b>Income</b>				
	(a) Revenue from operations	4,545.92	5,087.79	5,489.59	19,239.08
	(b) Other income	28.30	21.90	85.52	180.19
	<b>Total income</b>	<b>4,574.22</b>	<b>5,109.69</b>	<b>5,575.11</b>	<b>19,419.27</b>
2	<b>Expenses</b>				
	(a) Consumption of food and beverages	378.47	472.95	476.51	1,636.02
	(b) Employee benefits expense	1,093.52	1,136.10	1,087.41	4,517.12
	(c) Finance cost (Refer note 9 & 10)	1,654.13	610.92	531.69	3,436.40
	(d) Depreciation and amortisation expense	254.39	263.90	267.83	1,051.70
	(e) Other expenses				
	(i) Heat, light and power	252.23	288.39	290.94	1,193.87
	(ii) Others	1,282.38	1,338.07	1,365.71	5,152.81
	<b>Total expenses</b>	<b>4,915.12</b>	<b>4,110.33</b>	<b>4,020.09</b>	<b>16,796.42</b>
3	<b>Profit before exceptional items and tax [1-2]</b>	<b>(340.90)</b>	<b>999.36</b>	<b>1,555.02</b>	<b>2,622.85</b>
4	Exceptional items - income / (expense) - net (Refer note 10)	2,369.28	-	-	2,369.28
5	<b>Profit for the period / year before tax [3-4]</b>	<b>2,028.38</b>	<b>999.36</b>	<b>1,555.02</b>	<b>3,592.25</b>
6	<b>Tax expense</b>				
	Current tax (Refer note 8)	(140.17)	340.53	99.87	297.75
	Deferred tax - charge / (credit) for current period / year (Refer note 8)	35.91	(45.37)	353.84	(287.24)
	Short / (excess) provision for current tax / deferred tax (net)	-	-	-	13.39
	<b>Total tax expenses</b>	<b>(104.26)</b>	<b>295.16</b>	<b>453.71</b>	<b>1,075.29</b>
7	<b>Profit for the period / year [5-6]</b>	<b>2,132.64</b>	<b>704.20</b>	<b>1,101.31</b>	<b>2,506.96</b>
8	<b>Other comprehensive income</b>				
	Items that will not be reclassified to profit or loss				
	(i) Remeasurement of defined benefit plans - gain / (loss)	(13.73)	22.95	(17.58)	6.43
	(ii) Income taxes effect on above	4.00	(6.68)	5.12	(1.87)
	<b>Total other comprehensive income</b>	<b>(9.73)</b>	<b>16.27</b>	<b>(12.46)</b>	<b>4.56</b>
9	<b>Total comprehensive income for the period / year [7+8]</b>	<b>2,122.91</b>	<b>720.47</b>	<b>1,088.85</b>	<b>2,511.52</b>
10	Paid-up equity share capital (including forfeited shares) (Face value per share of Rs. 10/- each)	2,417.26	2,417.26	2,417.26	2,417.26
11	Reserve excluding revaluation reserves				(5,149.28)
12	Earnings per share (Face value per share of Rs. 10/- each)				
	(a) Basic (Rs.)	9.04	2.99	4.67	10.63
	(b) Diluted (Rs.)	9.04	2.99	4.67	10.63

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**Notes:**

- 1 The above standalone financial results have been reviewed by the Audit Committee and are approved by the Board of Directors at their meeting held on 30th July, 2020. The statutory auditors have carried out audit of the standalone financial results for the year ended 31st March 2020.
- 2 The above standalone financial results have been prepared in accordance with guidelines issued by Securities and Exchange Board of India ('SEBI') and the Indian Accounting Standards [Ind AS] prescribed under section 133 of the Companies Act, 2013. Effective 1st April, 2019, the Company has applied Ind AS 116 'Leases' using the modified retrospective approach as per para C8(c)(ii) of Ind AS 116; accordingly, there is no impact in opening retained earnings and right of use assets (amount equivalent to the lease liability) of Rs.108.34 lakhs has been recognised as at 1st April, 2019. Consequently, the nature of expenses in respect of operating leases has changed from lease rent to depreciation for the right to use asset and finance cost for interest accrued on lease liability in current period / year. On account of adoption of Ind AS 116, there is no significant impact on the standalone financial results of the Company.
- 3 (a) During the current quarter, there are delays in repayment of principal, payment of interest and there are unpaid instalments amounting to Rs. 1,934.00 lakhs which were due/overdue as on 31st March 2020. The Company has requested all its lenders in the month of March 2020 for the extension of the dues considering the impact on account of Covid-19. Though, written confirmation from lenders are awaited, all lenders have agreed for the extension either verbally or has given in principle approval. In view of the above, in the opinion of the management, event of default is not triggered in any case and therefore, there is no other accounting implications and reclassification of non-current borrowings to current liabilities is not required as at 31st March 2020.  
(b) In view of the above, in the opinion of the management, no intimation is required to be given to the stock exchange for unpaid loan instalments as at 31st March 2020 as required by SEBI circular dated 21st November 2019.  
The statutory auditors have drawn reference of above matters in their report on the standalone financial results for the year ended 31st March 2020.
- 4 As per standalone financial results, there are accumulated losses and current liabilities exceed the current assets as on 31st March 2020 and 31st March 2019. Further, in respect of loans, there are delays in repayment of principal, payment of interest and overdue instalments as at 31st March, 2020. In the opinion of the management, considering the future business prospects, management's action to mitigate the impact of COVID-19 as described in note 6 of the Statement, management's request for seeking extension of the loan dues as stated in note 3(a) above and the fact that the fair values of the assets of the Company are significantly higher than the borrowings/debts, these standalone financial results have been prepared on a going concern basis which contemplates realisation of assets and settlement of liabilities in the normal course of Company's business. The statutory auditors have drawn reference of above matter in their report on the standalone financial results for the year ended 31st March 2020. Further, reference was also drawn by the statutory auditors in their report for the quarter ended 31st December 2019, 30th September 2019, 30th June 2019 and for earlier quarters / years.
- 5 During the quarter ended 30th June, 2019, Company's one hotel property in Orissa was affected due to 'Cyclone Fani'. Net block of assets destroyed was Rs. Nil. The Company had filed the insurance claim and received partial amount as advance in quarter ended 30th June, 2019 and 31st December 2019. However, pending final approval, insurance claim is not recognised as revenue in current quarter and year ended 31st March 2020.
- 6 Due to outbreak of COVID-19 pandemic, there is a significant impact on the business operations of the Company during the lockdown period. With the lifting of the partial lockdown restrictions by Central and State Governments, the Company has re-opened its hotels in Orissa from 11th June, 2020 after establishing thorough and well-rehearsed safety measures. The Company has re-opened its hotels in Mumbai to cater to the guests quarantined under Vande Bharat Mission. The Company expects the demand for its services to pick up at a slower pace once lockdown is completely lifted and recovery in business to be driven by domestic and international leisure and business travel. 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 on account of COVID-19. Based on such assessment, in the opinion of management the Company expects to recover the carrying amounts of all the assets. As stated in note 3(a) above, the Company has requested its lenders for extension of payment of dues in view of the challenges faced account of shut down of the hotels. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Company will continue to monitor the future economic conditions and assess its impact on financial results. The statutory auditors have drawn attention of above matter in their report on the standalone financial results for the year ended 31st March, 2020.
- 7 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.
- 8 As per section 115BAA of the Income Tax Act, 1961, option is given for lower tax rate subject to certain conditions. The Company has Minimum Alternate Tax (MAT) credit and as per the assessment it is expected that the utilising MAT credit is beneficial to the Company. In view of the above, the Company has decided to continue under the existing tax regime for computation of current tax and move to lower tax rate in subsequent years. For the purpose of deferred tax, lower tax rate has been considered, consequently, results for the year ended 31st March, 2020 includes deferred tax credit of Rs. 349.94 lakhs.

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- 9 With effect from 1st October 2019, consequent to restructuring with an Asset Reconstruction Company (ARC), there is an extension in repayment tenor of the respective secured debt on the payment of interest at 12.5% p.a. payable as per the repayment schedule. Extension of loan along with interest is accounted in accordance with the requirement of Ind AS 109 - Financial Instruments.
- 10 During the quarter ended 31st March, 2020, an ARC (to which two banks and one financial institution had assigned the 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 Instruments' on the basis of opinion obtained from an expert and its ability to make prepayment of loan. Consequently, in the quarter and year ended 31st March 2020, the Company has written back the principal amount of Rs. 2,369.28 lakhs outstanding as on 1st April 2019 and accounted for additional interest of Rs. 1,052.67 lakhs pertaining to financial year 2019-20. The principal write back of Rs. 2,369.28 lakhs has been shown as "exceptional item". The statutory auditors have drawn attention of above matter in their report on the standalone financial results for the year ended 31st March, 2020.
- 11 The Company has paid remuneration to its executive chairman and managing director for the financial year ended 31st March 2020 which is in excess of the limits prescribed under section 197 of the Act (read with Schedule V of the Act) by Rs. 41.94 lakhs; the said excess managerial remuneration is subject to approval of shareholders at the upcoming general meeting. The statutory auditors have drawn attention of above matter in their report on the standalone financial results for the year ended 31st March, 2020.
- 12 The standalone figures for the quarter ended 31st March, 2020 are the balancing figures between the audited figures in respect of the full financial year and the unaudited published year to date figures up to the third quarter of the current financial year.

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**Kamat Hotels (India) Limited**

Registered Office: 70-C, Nehru Road, Vile Parle (East), Mumbai - 400 099

CIN: L55101MH1986PLC039307, Tel. No. 022 26164000

 Website: [www.khil.com](http://www.khil.com), Email: [cs@khil.com](mailto:cs@khil.com)
**13 Standalone statement of assets and liabilities as at 31st March 2020**

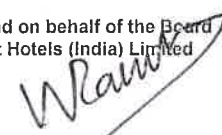
Particulars	(Rs. In lakhs)	
	As at 31st March 2020 [Audited]	As at 31st March 2019 [Audited]
<b>ASSETS</b>		
<b>A Non-current assets</b>		
a) Property, plant and equipment	26,376.36	27,175.68
b) Right of use assets	104.17	-
c) Intangible assets	77.22	70.43
d) Capital work-in-progress	521.22	27.34
e) Intangible assets under development	-	3.45
f) Investment property	1,058.19	1,082.50
g) Financial assets		
i) Investments in subsidiaries & joint venture	4.00	4.00
ii) Investments	15.32	11.02
iii) Loans	1,955.56	1,859.50
iv) Other non-current financial assets	6.52	6.25
h) Income tax assets (Net)	887.82	1,337.48
i) Other non current assets	3,658.06	3,821.74
(A)	<u>34,664.44</u>	<u>35,399.39</u>
<b>B Current assets</b>		
a) Inventories	258.47	268.34
b) Financial assets		
i) Investments	3.81	5.25
ii) Trade receivables	987.12	1,110.78
iii) Cash and cash equivalents	252.82	357.37
iv) Bank balances other than (iii) above	67.86	77.46
v) Loans	13.52	13.80
vi) Other current financial assets	20.53	14.74
c) Income tax assets (Net)	231.52	-
d) Other current assets	425.15	382.00
(B)	<u>2,260.80</u>	<u>2,229.74</u>
<b>TOTAL (A + B)</b>	<u><u>36,925.24</u></u>	<u><u>37,629.13</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>A Equity</b>		
a) Equity share capital	2,417.26	2,417.26
b) Other equity	(1,570.19)	(5,149.28)
(A)	<u>847.07</u>	<u>(2,732.02)</u>
<b>Liabilities</b>		
<b>B Non-current liabilities</b>		
a) Financial liabilities		
i) Borrowings	18,684.68	24,112.67
ii) Lease liabilities	96.52	-
iii) Other financial liabilities	119.86	110.49
b) Other non-current liabilities	453.32	527.79
c) Provisions	423.05	436.08
d) Deferred tax liabilities (Net)	2,274.66	2,447.21
(B)	<u>22,052.09</u>	<u>27,634.24</u>
<b>C Current liabilities</b>		
a) Financial liabilities		
i) Trade payables		
- Amount due to Micro and small enterprises	226.24	189.81
- Amount due to other than Micro and small enterprises	2,236.78	1,765.04
ii) Lease liabilities	16.57	-
iii) Other financial liabilities	9,417.21	8,743.04
b) Other current liabilities	1,992.37	1,888.53
c) Provisions	136.91	140.49
(C)	<u>14,026.08</u>	<u>12,726.91</u>
<b>TOTAL (A+B+C)</b>	<u><u>36,925.24</u></u>	<u><u>37,629.13</u></u>

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14 Standalone cash flow statement for the year ended 31st March 2020

Particulars	(Rs. In lakhs)	
	For the year ended 31st March 2020 [Audited]	For the year ended 31st March 2019 [Audited]
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(loss) before taxes and other comprehensive income	3,593.49	3,582.25
<b>Adjustments for:</b>		
Finance cost	3,436.40	2,203.26
Interest income	(24.39)	(97.31)
Depreciation and amortization	1,051.70	1,095.82
Bad debts written off	13.71	107.88
(Reversal)/provision for expected credit loss and doubtful debt advances	(47.87)	37.88
Loss on sale/ discard of fixed assets	1.13	21.38
Reduction in liability towards long term borrowings (exceptional item) (Refer note, 10)	(2,369.28)	-
Dividend income	(0.43)	(0.43)
<b>Operating profit / (loss) before working capital changes</b>	<b>5,654.46</b>	<b>6,950.73</b>
Movements in working capital : [Including Current and Non-current]		
(Increase) / decrease in loans, trade receivable and other assets	179.71	429.81
(Increase) / decrease in inventories	9.87	4.05
Increase / (decrease) in trade payable, other liabilities and provisions	591.85	(70.76)
	<b>6,435.89</b>	<b>7,313.83</b>
Adjustment for:		
Direct taxes paid (including tax deducted at source) / refund (net)	20.22	(212.52)
<b>Net cash generated/ (used in) from operating activities...(A)</b>	<b>6,456.11</b>	<b>7,101.31</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment (Including capital work in progress and capital advances)	(720.31)	(307.53)
Sale of property, plant and equipment	2.33	12.24
Proceeds from sale/ redemption of investment	-	(0.22)
Temporary refund received of loan given to wholly owned subsidiary	1,320.00	430.00
Repayment of temporary refund of loan given to wholly owned subsidiary	(1,320.00)	(430.00)
Interest income	18.60	92.49
Dividend income	0.43	0.43
(Increase)/decrease in bank balance [Current and non-current] (other than cash and cash equivalent)	9.33	(76.69)
	<b>(689.62)</b>	<b>(279.28)</b>
Adjustment for:		
Direct taxes (paid)/ refund received (including tax deducted at source) - (Net)	(2.44)	(9.73)
<b>Net cash (used in) / from investing activities... (B)</b>	<b>(692.06)</b>	<b>(289.01)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long term borrowings	-	2,837.34
Repayment of long term borrowings	(3,210.71)	(8,015.59)
Net bank overdraft (in excess of cash and cash equivalent)	-	135.74
Payment of lease liabilities	(24.47)	-
Interest paid (Including other borrowing cost)	(2,480.67)	(2,128.38)
<b>Net cash (used in) / from financing activities... (C)</b>	<b>(5,715.85)</b>	<b>(7,170.89)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+ B+C)</b>	<b>48.20</b>	<b>(358.59)</b>
Cash and cash equivalents at beginning of the year	-	358.59
Cash and cash equivalents at end of the year	48.20	-
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>48.20</b>	<b>(358.59)</b>
For and on behalf of the Board Kamat Hotels (India) Limited		
 <b>Dr. Vithal V. Kamat</b> Executive Chairman and Managing Director (FIN : 00195341)		
Place: Mumbai		
Date: 30th July, 2020		



## Statement of consolidated financial results for the quarter and year ended 31st March, 2020

Sr. No.	Particulars	Quarter ended				Year ended		(Rs. In lakhs)	
		31st March 2020 Unaudited [Refer note 16]	31st December 2019 Unaudited	31st March 2019 Unaudited [Refer note 17]	31st March 2020 Audited	31st March 2019 Audited	Year ended 31st March 2019 Audited		
1	<b>Income</b>								
	(a) Revenue from operations	5,645.56	6,228.32	6,709.28	22,198.07	23,609.00			
	(b) Other income	49.69	33.45	91.24	141.43	211.35			
	<b>Total income</b>	<b>5,695.25</b>	<b>6,261.77</b>	<b>6,800.52</b>	<b>22,339.50</b>	<b>23,820.35</b>			
2	<b>Expenses</b>								
	(a) Consumption of food and beverages	472.21	574.91	606.50	2,037.49	2,260.80			
	(b) Employee benefits expense	1,381.41	1,436.06	1,403.99	5,694.47	5,539.06			
	(c) Finance cost (Refer note 15)	1,729.05	680.44	533.16	3,730.63	2,205.07			
	(d) Depreciation and amortisation expense	447.08	454.70	462.56	1,815.41	1,834.11			
	(e) Other expenses								
	(i) Heat, light and power	328.69	383.59	367.80	1,604.27	1,619.79			
	(ii) Others	1,709.96	1,727.40	1,926.40	6,523.91	6,990.74			
	<b>Total expenses</b>	<b>6,068.40</b>	<b>5,257.10</b>	<b>5,300.41</b>	<b>21,406.18</b>	<b>20,449.57</b>			
3	<b>Profit before share of profit / (loss) of joint venture, exceptional items and tax [1-2]</b>	<b>(373.15)</b>	<b>1,004.67</b>	<b>1,500.11</b>	<b>933.32</b>	<b>3,370.78</b>			
4	Share of profit / (loss) from joint venture accounted for using equity method	5.76	12.49	11.00	(29.10)	28.93			
5	<b>Profit / (loss) before exceptional items and tax [3+4]</b>	<b>(367.39)</b>	<b>1,017.16</b>	<b>1,511.11</b>	<b>904.22</b>	<b>3,399.71</b>			
6	Exceptional items - income / (expense) - net [Refer note 6(iv), 6(vi) 9 & 15]	1,523.21	-	-	1,523.21	(634.44)			
7	<b>Profit / (loss) for the period / year before tax [5+6]</b>	<b>1,155.82</b>	<b>1,017.16</b>	<b>1,511.11</b>	<b>2,427.43</b>	<b>2,765.27</b>			
8	<b>Tax expense</b>								
	Current tax (Refer note 12)	(140.02)	340.53	100.03	297.97	100.01			
	Deferred tax - charge / (credit) for current period / year (Refer note 12)	16.86	(44.34)	361.03	(361.41)	946.17			
	Short / (excess) provisions for current tax/deferred tax (net)	-	-	-	13.39	30.64			
	MAT credit reversed / (availed)	(0.13)	-	(0.13)	-	(0.11)			
9	<b>Total tax expenses</b>	<b>(123.29)</b>	<b>296.19</b>	<b>460.93</b>	<b>(50.05)</b>	<b>1,076.71</b>			
10	<b>Profit for the period / year [7-8]</b>	<b>1,279.11</b>	<b>720.97</b>	<b>1,050.18</b>	<b>2,477.48</b>	<b>1,688.56</b>			
	Other comprehensive income items that will not be reclassified to profit or loss								
	(i) Remeasurement of defined benefit plans - gain / (loss)	(20.20)	24.61	(16.82)	11.22	4.84			
	(ii) Income taxes effect on above	4.00	(6.68)	5.12	(3.90)	(1.87)			
	<b>Total other comprehensive income</b>	<b>(16.20)</b>	<b>17.93</b>	<b>(11.70)</b>	<b>7.32</b>	<b>2.97</b>			
11	<b>Total comprehensive income for the period / year [9+10]</b>	<b>1,262.91</b>	<b>738.90</b>	<b>1,038.48</b>	<b>2,484.80</b>	<b>1,691.53</b>			
12	<b>Total comprehensive income for the period / year attributable to:</b>								
	(a) To owner of parent	1,262.91	738.90	1,038.48	2,484.80	1,691.53			
	(b) To non controlling interest	-	-	-	-	-			

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**Statement of consolidated financial results for the quarter and year ended 31st March, 2020**

Sr. No.	Particulars	Quarter ended 31st March 2020		Quarter ended 31st March 2019		Year ended 31st March 2020		Year ended 31st March 2019	
		Unaudited [Refer note 16]	Unaudited	Unaudited [Refer note 17]	Unaudited	Audited	Audited	Audited	Audited
13	<b>Out of total comprehensive income for the period / year:</b>								
	<b>Profit for the year attributable to:</b>								
	(a) To owner of parent	1,279.11	720.97	1,050.18	2,477.48	1,688.56			
	(b) To non controlling interest	-	-	-	-	-			
	<b>Other comprehensive income attributable to:</b>								
	(a) To owner of parent	(16.20)	17.93	(11.70)	7.32	2.97			
	(b) To non controlling interest	-	-	-	-	-			
14	Paid-up equity share capital (including forfeited shares) (Face value per share of Rs. 10/- each)	2,417.26	2,417.26	2,417.26	2,417.26	2,417.26			
15	Reserve excluding revaluation reserves								
16	Earnings per share (Face value per share of Rs. 10/- each)	5.42	3.06	4.45	10.50	7.16			
	(a) Basic (Rs.)	5.42	3.06	4.45	10.50	7.16			
	(b) Diluted (Rs.)	5.42	3.06	4.45	10.50	7.16			

**Notes:**

- The above consolidated financial results have been reviewed by the Audit Committee and are approved by the Board of Directors at their meeting held on 30th July, 2020. The statutory auditors have carried out audit of the consolidated financial results for the year ended 31st March 2020.
- (a) The above consolidated financial results have been prepared in accordance with guidelines issued by Securities and Exchange Board of India ('SEBI') and the Indian Accounting Standards [Ind AS] prescribed under section 133 of the Companies Act, 2013 ('the Act').  
(b) Effective 1st April 2019 (transition date), the Group has applied Ind AS 116 'Leases' using the modified retrospective approach. The Group has recognised Right-of-use asset (ROU) at an amount equivalent to the lease liability of Rs. 1,883.20 lakhs (Rs. 108.34 lakhs in standalone financial results). The comparatives for the year ended 31st March 2019 have not been retrospectively adjusted. Consequently, in the consolidated financial results, the nature of expenses in respect of operating leases has changed from lease rent to depreciation on ROU and finance cost for interest accrued on lease liability in current period / year. On account of adoption of Ind AS 116, there is no significant impact on the consolidated financial results.
- The consolidated financial results for the quarter and year ended 31st March, 2020 and previous periods / previous year include financial results in respect of following entities: Wholly owned subsidiary companies (a) Orchid Hotels Pune Private Limited (OHPPL), (b) Fort Jadhavgad Hotels Private Limited (FJHPL), (c) Mahodadhi Palace Private Limited (MPPL), (d) Orchid Hotel Eastern (India) Private Limited (OHEIPL), (e) Kamats Restaurants (India) Private Limited (KRIPL) and one Joint venture company - Ilex Developers & Resorts Limited (IDRL).
- (a) In respect of Holding Company, during the current quarter, there are delays in repayment of principal, payment of interest and there are unpaid instalments amounting to Rs. 1,934.00 lakhs which were due/overdue as on 31st March 2020. The Holding Company has requested all its lenders in the month of March 2020 for the extension of the dues considering the impact on account of Covid-19. Though written confirmation from all lenders for extension are awaited, lenders have agreed for the extension either verbally or has given in principle approval. In view of the above, in the opinion of the management, event of default is not triggered in any case and therefore, there is no other accounting implications and reclassification of non-current borrowings to current liabilities is not required as at 31st March 2020.  
(b) In view of the above, in the opinion of the Holding Company's management, no intimation is required to be given to the stock exchange for unpaid loan instalments as at 31st March 2020 as required by SEBI circular dated 21st November 2019.  
The statutory auditors have drawn reference of matters covered in 4(a) and 4(b) above in their report on the consolidated financial results for the year ended 31st March 2020.

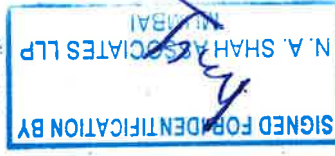
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- 5 As per standalone financial results of the Holding Company, there are accumulated losses and current liabilities exceed the current assets as on 31st March 2020 and 31st March 2019. Further, in respect of loans, there are delays in repayment of principal, payment of interest and overdue instalments as on 31st March, 2020. In the opinion of the management, considering the future business prospects, management's action to mitigate the impact of COVID-19, management's request for seeking extension of the loan dues as stated in note 4(a) above and the fact that the fair values of the assets are significantly higher than the borrowings/debts, the standalone financial results 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.
- 6 In respect of subsidiary company (OHPPL),  
(i) During the previous year, M/s Asset Reconstruction Company India Limited (ARCIL) [lender to whom loan was assigned by ICICI Bank in earlier years], reassigned the loan to International Asset Reconstruction Company Private Limited (IARC) for an aggregate amount of Rs. 13,500.00 lakhs. As per the assignment agreement, total amount due from the subsidiary company upto 24th December, 2018 was Rs. 42,110.91 lakhs. 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). In the opinion of the management, no further liability is required to be accounted based on the amount mentioned in the assignment agreement considering the negotiations for settlement of loan (including interest) is under process and management's expectation that settlement amount would not be higher than the amounts already recorded in the books. Further, the amount of claim by the lender from 25th December, 2018 till 31st March, 2020 has not been quantified. The statutory auditors have given qualified opinion in their report on the consolidated financial results in respect of above matter for the year ended 31st March, 2020. Further, qualified conclusion / opinion was also given by the auditors in their reports for the quarter ended 31st December, 2019, 30th September, 2019, 30th June, 2019 and for the year ended 31st March, 2019 and 31st March, 2018.
- (ii) It 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 2020 and 31st March 2019. Further, there are defaults in repayment of loans & interest and non-provision of interest as mentioned in note 6(i) above. Considering, the limited support available from the Holding Company due to its financial constraints, provision for impairment of fixed assets made in the current year [also refer note 6(iv)] and earlier year and management's action to mitigate the impact of Covid-19, in the opinion of the management, the financial results of the subsidiary company are prepared on going concern basis.
- (iii) In respect of dispute over lease rent levied by Director of Sports, OHPPL has accounted for the liability amounting to Rs. 1,405.94 lakhs for the period from 1st November, 2014 to 31st March, 2020; however, the same has not been paid pending arbitration application before Hon'ble Bombay High Court and pending matter in the District Court, Pune. Further, during the current quarter, the Hon'ble Bombay High Court has appointed sole arbitrator to resolve the disputes. Interest / penalty, if any, will be accounted in the period / year in which dispute will be resolved.
- (iv) In accordance with Ind AS 36 – Impairment of assets, the management of the subsidiary company has reviewed the recoverable value in respect of net block of property, plant & equipment as on 31st March 2020. Based on such assessment, provision for impairment loss amounting to Rs. 532.20 lakhs has been recognized during the quarter and year ended 31st March 2020. Total amount of impairment loss recognised till 31st March 2020 including earlier year is Rs. 21,932.29 lakhs.
- (v) The subsidiary company is in the process of appointing Chief Financial Officer and Company Secretary (key managerial personnel) as required by Section 203 of the Companies Act, 2013.
- (vi) Exceptional item of Rs. 634.44 lakhs for the year ended 31st March, 2019 is on account of capital advances written off in a subsidiary company.
- 7 In respect of subsidiary company (MPPL),  
The subsidiary company has incurred losses in the current quarter and current year, 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 2020 and 31st March 2019. 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; and (c) commitment from the Holding Company for financial support from time to time (d) management's action to mitigate the impact of Covid-19.
- 8 (i) In view of the note 5, 6(ii) and 7 and considering management's opinion, the consolidated financial results have also been prepared on a going concern basis.  
(ii) The statutory auditors have drawn the reference in respect of matters covered in note 5, 6(ii), 6(iii), 7 and 8(i) above in their report for the consolidated financial results for the year ended 31st March, 2020. Further, reference was also drawn by the statutory auditors for the matters covered in note 5, 6(ii), 6(iii), 7 and 8(i) in their report for the quarter ended 31st December, 2019, 30th September, 2019, 30th June, 2019 and for the year ended 31st March, 2019 and 31st March, 2018.

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- 9 In respect of joint venture (IDRL),  
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 2020. 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 amounting to Rs. 313.87 lakhs, representing 32.92% share of the Company has been recognized during the quarter and year ended 31st March 2020. The same is disclosed as exceptional item.
- 10 During the quarter ended 30th June 2019, Group's three hotel properties in Orissa were affected due to 'Cyclone Fani'. a) In respect of Holding Company, net block of assets destroyed was Rs. Nil. Pending final approval, insurance claim is not recognised as revenue in quarter and year ended 31st March 2020. b) In respect of subsidiary company (MPPL), additional loss of Rs. 77.14 lakhs has been accounted in the current quarter and Rs. 264.43 lakhs in the year ended 31st March 2020 in its financial statements. Based on the management's assessment of the balance claim, no further loss is anticipated. Appropriate accounting has been made in the standalone and consolidated financial results for the quarter and year ended 31st March 2020.
- 11 Due to outbreak of COVID-19 pandemic, there is a significant impact on the business operations of the Group and joint venture during the lockdown period. With the lifting of the partial lockdown restrictions by Central and State Governments, the Group and joint venture has re-opened its hotels partially in the month of June 2020 after establishing thorough and well-rehearsed safety measures. The Holding Company and subsidiary company (OHPPL) has re-opened its hotels in Mumbai and Pune to cater to the guests quarantined under Vande Bharat Mission. The Group and joint venture expects the demand for its services to pick up at a slower pace once lockdown is completely lifted and recovery in business to be driven by domestic and international leisure and business travel. The Group and joint venture 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 on account of COVID-19. Based on such assessment, in the opinion of management, provision for impairment loss has been made wherever necessary and expects to recover the carrying amounts of all the assets net of impairment impact. Further, the Holding Company and joint venture have requested its lenders for extension of payment of dues in view of the challenges faced account of shut down of the hotels. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Group and joint venture will continue to monitor the future economic conditions and assess its impact on consolidated financial results.  
The statutory auditors have drawn attention of above matter in their report on the consolidated financial results for the year ended 31st March, 2020.
- 12 As per section 115BAA of the Income Tax Act, 1961, option is given for lower tax rate subject to certain conditions. (a) In the Holding Company, it has Minimum Alternate Tax (MAT) credit and as per the assessment it is expected that the utilising MAT credit is beneficial to the Holding company. In view of the above, the Holding Company has decided to continue under the existing tax regime for computation of current tax and move to lower tax rate in subsequent years. For the purpose of deferred tax, lower tax rate has been considered. Consequently, results for the year ended 31st March, 2020 includes deferred tax credit of Rs. 349.94 lakhs. (b) In respect of subsidiary company (MPPL), lower tax rate has been applied and deferred tax is recognised at lower tax rate. The resultant credit of Rs. 6.65 lakhs is included in the results for the year ended 31st March, 2020.
- 13 The Group & joint venture is operating only in the hospitality service segment. Therefore, disclosures of segment wise information is not applicable.
- 14 In Holding Company, with effect from 1st October 2019, consequent to restructuring with an Asset Reconstruction Company (ARC), there is an extension in repayment tenor of the respective secured debt on the payment of interest at 12.5% p.a. payable as per the repayment schedule. Extension of loan along with interest is accounted in accordance with the requirement of Ind AS 109 - Financial Instruments
- 15 During the quarter ended 31st March, 2020, an ARC (to which two banks and one financial institution had assigned the secured debts) has modified terms and conditions of the debt of Holding Company 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 Instruments' on the basis of opinion obtained from an expert and its ability to make prepayment of loan. Consequently, in the quarter and year ended 31st March 2020, the Holding Company has written back the principal amount of Rs. 2,369.28 lakhs outstanding as on 1st April 2019 and accounted for additional interest of Rs.1,052.67 lakhs pertaining to financial year 2019-20. The principal write back of Rs. 2,369.28 lakhs has been shown as "exceptional item". The statutory auditors have drawn attention of above matter in their report on the consolidated financial results for the year ended 31st March, 2020.
- 16 The consolidated figures for the quarter ended 31st March, 2020 are the balancing figures between the audited figures in respect of the full financial year and the unaudited published year to date figures up to the third quarter of the current financial year.
- 17 The consolidated figures for the corresponding quarter ended 31st March 2019 as reported in the statement have been approved by the Holding Company's Board of Directors and have not been subjected to audit by the statutory auditors.
- 18 The Holding Company has paid remuneration to its executive chairman and managing director for the financial year ended 31st March 2020 which is in excess of the limits prescribed under section 197 of the Act (read with Schedule V of the Act) by Rs. 41.94 lakhs; the said excess managerial remuneration is subject to approval of shareholders at the upcoming general meeting. The statutory auditors have drawn attention of above matter in their report on the consolidated financial results for the year ended 31st March, 2020.



**Kamat Hotels (India) Limited**

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CIN: L55101MH1986PLC039307, Tel. No. 022 26164000

 Website: [www.khil.com](http://www.khil.com), Email: [cs@khil.com](mailto:cs@khil.com)
**19 Consolidated statement of assets and liabilities**

Particulars	(Rs. In lakhs)	
	As at 31st March 2020 [Audited]	As at 31st March 2019 [Audited]
<b>ASSETS</b>		
<b>A Non-current assets</b>		
a) Property, plant and equipment	34,305.08	36,291.76
b) Right to use assets	1,840.56	-
c) Intangible assets	88.44	78.42
d) Capital work-in-progress	521.22	27.34
e) Intangible assets under development	-	3.45
f) Investment property	1,058.19	1,082.50
g) Financial assets		
i) Investments in subsidiaries & joint venture	108.51	451.48
ii) Investments	15.32	11.02
iii) Loans	2,023.28	1,960.41
iv) Other financial assets	9.86	6.25
h) Income tax assets (Net)	991.37	1,451.73
i) Other non current assets	3,667.82	3,843.72
<b>(A)</b>	<b>44,629.65</b>	<b>45,208.08</b>
<b>B Current assets</b>		
a) Inventories	314.17	336.36
b) Financial assets		
i) Investments	3.81	5.25
ii) Trade receivables	1,006.52	1,263.75
iii) Cash and cash equivalents	1,535.19	800.32
iv) Bank balances other than (iii) above	108.96	151.56
v) Loans	13.61	13.80
vi) Other current financial assets	70.90	16.82
c) Income tax assets (Net)	316.64	-
d) Other current assets	569.93	600.92
<b>(B)</b>	<b>3,939.73</b>	<b>3,188.78</b>
<b>TOTAL (A + B)</b>	<b>48,569.38</b>	<b>48,396.86</b>
<b>EQUITY AND LIABILITIES</b>		
<b>A Equity</b>		
a) Equity share capital	2,417.26	2,417.26
b) Other equity	(14,716.35)	(17,201.15)
<b>(A)</b>	<b>(12,299.09)</b>	<b>(14,783.89)</b>
<b>Liabilities</b>		
<b>B Non-current liabilities</b>		
a) Financial liabilities		
i) Borrowings	20,622.70	26,016.58
ii) Lease liabilities	1,666.52	-
iii) Other financial liabilities	119.86	110.49
b) Other non-current liabilities	453.32	527.79
c) Provisions	505.87	322.42
d) Deferred tax liabilities (Net)	2,408.40	2,655.08
<b>(B)</b>	<b>25,776.67</b>	<b>29,632.36</b>
<b>C Current liabilities</b>		
a) Financial liabilities		
i) Trade payables		
- Amount due to Micro and small enterprises	267.19	216.79
- Amount due to other than Micro and small enterprises	-	-
ii) Lease liabilities	2,399.22	1,835.33
iii) Other financial liabilities	223.22	-
b) Other current liabilities	29,937.82	29,095.81
c) Provisions	2,120.93	2,074.31
d) Current tax liabilities (net)	143.36	326.15
	0.06	-
<b>(C)</b>	<b>35,091.80</b>	<b>33,548.39</b>
<b>TOTAL (A+B+C)</b>	<b>48,569.38</b>	<b>48,396.86</b>



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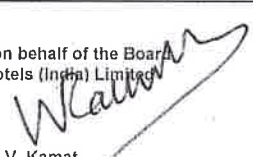


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**20 Consolidated statement of cash flows**

Particulars	(Rs. In lakhs)	
	For the year ended 31st March 2020 [Audited]	For the year ended 31st March 2019 [Audited]
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(loss) before taxes and other comprehensive income	2,427.43	2,765.27
Adjustments for:		
Finance cost	3,730.62	2,205.07
Interest income	(58.57)	(114.81)
Depreciation and amortization	1,815.41	1,834.11
Bad debts and advances written off	13.71	247.25
Capital advance written off (exceptional item) [Refer note 6(vi)]	-	634.44
Provision for expected credit loss and doubtful debt advances	(75.11)	63.57
Provision for impairment in investment in subsidiary (exceptional item) [Refer note 6(iv)]	532.20	-
Provision for impairment in investment in joint venture (exceptional item) [Refer note 9]	313.87	-
Provision for doubtful custom duty receivable	45.00	-
Loss on sale/ discard of fixed assets	122.23	23.63
Share of (profit) / loss of joint venture (accounted as per equity method)	29.10	(28.93)
Reduction in liability towards long term borrowings (exceptional item) [Refer note 15]	(2,369.28)	-
Dividend income	(0.43)	(0.43)
<b>Operating profit / (loss) before working capital changes</b>	<b>6,526.18</b>	<b>7,629.17</b>
Movements in working capital : [Including current and non-current]		
(Increase) / decrease in loans, trade receivable and other assets	318.01	428.15
(Increase) / decrease in inventories	22.18	8.35
Increase / (decrease) in trade payable, other liabilities and provisions	661.21	48.91
	<b>7,527.58</b>	<b>8,114.58</b>
Adjustment for:		
Direct taxes paid (including tax deducted at source)	(56.50)	(220.11)
<b>Net cash generated/ (used in) from operating activities...(A)</b>	<b>7,471.08</b>	<b>7,894.47</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment (Including capital work in progress and capital advances)	(904.17)	(774.33)
Sale of property, plant and equipment	2.50	12.33
Proceeds from sale/ redemption of investment	-	(0.22)
Movement in long term loans and advances	(30.00)	-
Repayment received of loans and advances given	30.00	-
Interest income	43.96	108.41
Dividend income	0.43	0.43
(Increase)/decrease in bank balance [Current and non-current] (other than cash and cash equivalent)	6.80	(18.46)
	<b>(850.48)</b>	<b>(671.84)</b>
Adjustment for:		
Direct taxes (paid)/ refund received (including tax deducted at source) - (Net)	(4.80)	(10.29)
<b>Net cash (used in) / from investing activities... (B)</b>	<b>(855.28)</b>	<b>(682.13)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long term borrowings	34.13	2,838.19
Repayment of long term borrowings	(3,210.71)	(8,015.59)
Proceeds from short term borrowings	-	17.21
Repayment of short term borrowings	-	(72.38)
Interest paid (Including other borrowing cost)	(2,583.87)	(2,129.78)
Payments of lease liabilities	(41.83)	-
<b>Net cash (used in) / from financing activities... (C)</b>	<b>(5,802.28)</b>	<b>(7,362.35)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+ B+C)</b>	<b>813.52</b>	<b>(150.01)</b>
Cash and cash equivalents at beginning of the year (net of book overdraft)	381.31	531.32
Cash and cash equivalents at end of the year (net of book overdraft)	1,194.83	381.31
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>813.52</b>	<b>(150.01)</b>
For and on behalf of the Board Kamat Hotels (India) Limited  Dr. Vithal V. Kamat Executive Chairman and Managing Director [DIN : 00195341]		
Place: Mumbai Date: 30th July, 2020		
		
		

**Annexure-1**

**Statement of Impact of Audit Qualifications for the financial year ended March 31, 2020**  
[Pursuant to Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016]

			(Rupees in lakhs)	
I.	Sr. No.	Particulars	Audited figures (as reported before adjusting for qualifications) as per consolidated financial statements/results	Adjusted figures (Audited figures after adjusting for qualifications)
	1.	Turnover/ Total Income	22,339.50	22,339.50
	2.	Total Expenditure(including exceptional items and taxes)	22,850.24	Refer note II (e) (i) below.
	3.	Nct Profit/ (Loss) [before other Comprehensive Income]	2,477.48	Refer note II (e) (i) below
	4.	Earnings per share	10.50	Refer note II (e) (i) below.
	5.	Total Assets	48,569.38	48,569.38
	6.	Total Liabilities	60,868.47	Refer note II (e) (i) below
	7.	Net Worth	(12,299.09)	Refer note II (e) (i) below.
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-
II.	<p><b>Audit Qualification (Each audit Qualification Separately): In respect of a consolidated financial results/consolidated financial statement.</b></p> <p>a. Details of Audit Qualification:            With respect to one of the subsidiaries (Orchid Hotels Pune Private Limited) reference is invited to note 34.1(a) of notes to the consolidated financial statements (note 6(a)(i) of the consolidated financial results). As against the lender’s (International Asset Reconstruction Private Limited (IARC) claim upto 24<sup>th</sup> December, 2018 of Rs. 42,110.91 Lakhs the liability as per the books is only Rs. 18,833.99 lakhs (this amount includes interest liability accounted in books upto 30<sup>th</sup> September, 2013). IARC has acquired the loans on assignment from Asset Reconstruction Company India Limited (ARCIL) at a consideration of Rs. 13,500 lakhs. Interest has not been provided from 1<sup>st</sup> October, 2013 till 31<sup>st</sup> March, 2020. In our opinion, the same is not in compliance with Ind As 23 – Borrowing Cost. In the opinion of the management, no further liability for interest is required to be accounted considering the proposal for amicable resolution of the settlement of the loan (including interest) is under process and management’s expectation that settlement amount would not be higher than the amounts already recorded in the books. Further, the change in claim by the lender from 25<sup>th</sup> December till 31<sup>st</sup> March, 2020 has not been considered above.</p>			

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Had the provision been made based on the claim made by the lender, borrowing cost for current year and previous year and the negative net worth as at 31<sup>st</sup> March, 2020 would increase by the amount of difference in liability as stated above plus the interest from 25<sup>th</sup> December, 2018 upto 31<sup>st</sup> March, 2020, both of which have not been provided as per management view mentioned above.

Further, the qualified opinion given above was also reported in our independent audit report for financial year 2017-2018 and 2018-19.

b. Type of Audit Qualification: ~~Qualified opinion/ Disclaimer of Opinion/ Adverse Opinion~~

c. Frequency of Qualification: ~~First time/ repetitive/ since how long continuing - from last 2 years as per our reports.~~

d. For Audit Qualification(s) where impact is quantified by the auditor, Management’s views: Refer note II (e) (i) below.



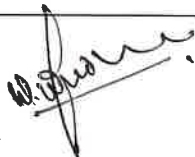
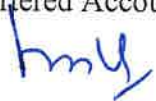

e. For Audit Qualification(s) where the impact is not quantified by the auditor: N. A.

i. Management’s estimation on the impact of audit qualification:

During the year, ARCIL reassigned the loan portfolio to IARC for an aggregate amount of Rs. 13,500 lakhs. In the assignment agreement, the total amount due from the subsidiary company upto 24<sup>th</sup> December, 2018 was mentioned at Rs. 42,110.91 lakhs. The said assignment was challenged by the subsidiary company before Hon’ble Bombay High Court. Based on communication and written assurances by IARC for amicable resolution with the subsidiary company, the petition was withdrawn. In the opinion of the management, no further liability is expected as compared to amount outstanding in the books.

ii. If management is unable to estimate the impact, reasons for the same: N.A.

iii. Auditor’s Comments on (i) or (ii) above:  
Refer II(a) above

III.	Signatories:	
	• CEO/ Managing Director	Dr. Vithal V. Kamat 
	• CFO	Ms. Smita Nanda 
	• Chairman of the Audit Committee	Mr. Dinkar D. Jadhav 
	• Statutory Auditor	For N.A. Shah & Associates LLP Chartered Accountants (FRN: 116560W/W100149)  Mr. Sandeep Shah Partner Membership No. 37381 
Place: Mumbai		
Date: 30 <sup>th</sup> July, 2020		

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