

KAMAT HOTELS (INDIA) LIMITED

Regd. Office: 70-C, Nehru Road, Vile Parle (East), Mumbai 400 099.
CIN: L55101MH1989PL000307, Tel. No. 022 26164000
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STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2014

| PART-I | | (In Lakhs) | | | |
|----------------|--|----------------------------------|---|----------------------------------|---|
| Sr.No. | Particulars | Standalone | | | Year Ended 31st March 2014 (Audited) |
| | | 30th June 2014 (Unaudited) | 31st March 2014 (Audited) (Note 2) | 30th June 2013 (Unaudited) | |
| 1 | Income from Operations | | | | |
| | a) Net Sales/Income from Operations (Net of Excise Duty) | 2,856.55 | 3,459.81 | 2,871.62 | 12,503.77 |
| | b) Other Operating Income | 195.44 | 216.13 | 218.98 | 901.99 |
| | Total Income | 3,051.99 | 3,675.94 | 3,090.60 | 13,405.76 |
| 2 | Expenses | | | | |
| | a) Consumption of Food & Beverages | 322.67 | 349.49 | 361.41 | 1,371.68 |
| | b) Employee Benefits Expense | 846.83 | 751.83 | 890.19 | 3,209.46 |
| | c) Heat, Light & Power | 424.04 | 383.61 | 338.69 | 1,523.25 |
| | d) Depreciation and Amortisation Expense (Note 4) | 509.32 | 351.02 | 363.63 | 1,438.52 |
| | e) Other Expenses | 789.05 | 801.27 | 831.14 | 3,346.32 |
| | Total Expenses | 2,891.91 | 2,637.22 | 2,785.06 | 10,949.23 |
| 3 | Profit/(Loss) from Operations before Other Income, Finance Costs and Exceptional Items [1-2] | 160.08 | 1,038.72 | 307.54 | 2,456.53 |
| 4 | Other Income (Note 6) | 315.68 | 175.28 | 741.07 | 2,273.30 |
| 5 | Profit/(Loss) from ordinary activities before Finance Costs and Exceptional Items [3+4] | 475.76 | 1,214.00 | 1,048.61 | 4,729.83 |
| 6 | Finance Costs (Note 5) | 2,429.27 | 1,402.92 | 1,468.48 | 5,735.27 |
| 7 | Profit/(Loss) from ordinary activities after Finance Costs but before Exceptional Items [5-6] | (1,953.51) | (188.92) | (419.87) | (1,005.44) |
| 8 | Add/Less: Exceptional Items/Net [Note 7] | - | 300.19 | (18.87) | (23,805.16) |
| 9 | Profit/(Loss) from Ordinary Activities before Tax [7+8] | (1,953.51) | 111.27 | (438.74) | (24,810.60) |
| 10 | Add/Less: Tax Expense (Including Deferred Tax) (Including Previous years) | 661.36 | (45.77) | 137.23 | 1,549.91 |
| 11 | Net Profit/(Loss) from Ordinary Activities after Tax [9-10] | (1,292.15) | 65.50 | (301.51) | (23,260.69) |
| 12 | Less: Extraordinary items (Net of tax expense) | - | - | - | - |
| 13 | Net Profit/(Loss) for the period [11-12] | (1,292.15) | 65.50 | (301.51) | (23,260.69) |
| 14 | Paid-up equity Share Capital (Face value of Equity Share Rs.10/- each) | 2,417.26 | 2,417.26 | 1,968.19 | 2,417.26 |
| 15 | Reserves Excluding Revaluation Reserves as per balance sheet of previous accounting year | - | - | - | 1,418.95 |
| 16 | Earnings Per Share (EPS) | | | | |
| | Basic & Diluted EPS (Rs): | | | | |
| | i) Before Extraordinary items | | | | |
| | Basic | (5.48) | 0.29 | (1.58) | (111.67) |
| | Diluted | (5.48) | 0.28 | (1.58) | (111.67) |
| | ii) After Extraordinary items | | | | |
| | Basic | (5.48) | 0.29 | (1.58) | (111.67) |
| | Diluted | (5.48) | 0.28 | (1.58) | (111.67) |
| PART-II | | | | | |
| A | PARTICULARS OF SHARE HOLDING: | | | | |
| | Public shareholdings: | | | | |
| | -Number of Shares | 92,22,098 | 92,22,098 | 92,22,098 | 92,22,098 |
| | -Percentage of Shareholding | 39.10% | 39.10% | 48.30% | 39.10% |
| | Promoters and promoters group shareholding | | | | |
| | a) Pledged/Encumbered | | | | |
| | -Number of shares, | 98,71,296 | 98,71,296 | Nil | 98,71,296 |
| | -Percentage of shares (as a % of the total share holding of promoter and promoter group) | 68.73% | 68.73% | Nil | 68.73% |
| | -Percentage of shares (as a % of the total share capital of the Company) | 41.86% | 41.86% | Nil | 41.86% |
| | b) Non Encumbered | | | | |
| | -Number of shares, | 44,90,664 | 44,90,664 | 9,871,296 | 44,90,664 |
| | -Percentage of shares (as a % of the total share holding of promoter and promoter group) | 31.27% | 31.27% | 100.00% | 31.27% |
| | -Percentage of shares (as a % of the total share capital of the Company) | 19.04% | 19.04% | 51.70% | 19.04% |
| B | INVESTOR COMPLAINTS: | | | | 3 Months Ended 30th June, 2014 |
| | Pending at the beginning of the Quarter | | | | Nil |
| | Received during the quarter | | | | 2 |
| | Disposed off during the quarter | | | | 2 |
| | Remaining unresolved at the end of the quarter | | | | Nil |

Notes:

- The above standalone results have been reviewed by the Audit Committee and were approved by the Board of Directors at the meeting held on 8th August, 2014. The Statutory Auditors have carried out a limited review of the above financial results.
- The figures of the preceding quarter are the balancing figures between audited figures in respect of full financial year ended 31st March, 2014 and published year-to-date figures upto the third quarter ended 31st December, 2013.
- The Company is operating only in the Hospitality Services Segment.
- Pursuant to the Companies Act, 2013 (the Act) becoming effective from April, 2014, the Company has recomputed the depreciation based on the useful life of the fixed assets as prescribed in Schedule II to the Act. This has resulted in additional charge of depreciation of Rs. 91.04 lakhs for the quarter ended 30th June, 2014. Further, as per the transitional provision, the Company has adjusted Rs. 369.67 lakhs (net of deferred tax of Rs. 190.35 lakhs) in the opening balance of retained earnings in respect of the assets where remaining useful life is nil as per Schedule II.
- Pursuant to the Corporate Debt Restructuring approval (CDR) dated 12th March, 2013, the Company was obliged to repay debts aggregating to Rs. 21,136.67 lakhs by 31st March, 2014 out of sale proceeds of stipulated assets of the Company. Despite best efforts, these assets could not be sold and a fresh proposal was sent to the CDR lenders by the Company. The Auditors have commented unfavourably in the Annexure to their report on the financial statements for the year ended 31st March, 2014 for defaults in repayment of loan dues. Consequent upon the above defaults, (i) one of the lenders assigned the entire debt of Rs. 15,568.00 lakhs in favour of an Asset Reconstruction Company; and (ii) these lenders recalled the entire outstanding amounts aggregating to Rs. 15,568.16 lakhs and declared the loans given to the Company as non-performing asset. Full effect of the defaults and above developments will be given in due course of time on ascertainment of liability of various lenders on reconciliation of account balances with the respective lenders.
- 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), (wholly owned subsidiary). Further, a loan of Rs. 19,548.40 lakhs and outstanding interest of Rs. 4,198.16 lakhs for the period upto December, 2013 is recoverable from OHPPL. The Company has also issued a corporate guarantee of Rs. 20,434.00 lakhs to a lender for the loan taken by OHPPL. OHPPL has been declared a non-performing asset by its lender due to defaults in paying the loan dues and is also facing other adverse factors affecting its financial position. Considering these adverse factors, the Company has made a provision for Rs. 23,844.56 lakhs towards recovery of loan and interest dues during the year ended 31st March, 2014 and interest on the outstanding loan is not recognized as income for the period after December, 2013 considering prudence. Further, considering the present value of the assets and future projections of OHPPL, the management believes that there is no diminution in the value of investment in OHPPL at present. This will be evaluated on a going forward basis for any further changes. The above developments and changed circumstances led the Auditors to give unfavourable comments regarding amounts due and guarantee given in the Annexure to their Report to the shareholders on the financial statements for the year ended 31st March, 2014.
- Exceptional items (i) in the quarter ended 31st March, 2014 include income of ₹ 300.00 lakhs being advance received towards proposed sale of a property forfeited, by the Company (ii) in the year ended 31st March, 2014 include (a) expenditure incurred and advances of Rs. 241.73 lakhs paid for abandoned hotel projects, hence written off; (b) provision for doubtful loans and advances to and interest receivable from the Company's subsidiary of Rs. 23,844.56 lakhs and (iii) in the quarter ended 30th June, 2013, include loss of Rs. 18.87 lakhs on write off of certain assets of unviable units closed.
- Payment of remuneration of Rs. 3.76 Lakhs to Mr. Vishal V. Kamat, Chief Executive Officer (a relative of some of the directors) for the quarter is subject to approval of shareholders in the forthcoming Annual General Meeting.
- The figures of previous periods in this statement have been regrouped/rearranged, wherever considered necessary.

For and on behalf of the Board
Kamat Hotels (India) Limited

Place: Mumbai
Date: 8th August, 2014

Vikram V. Kamat
(Executive Director)