

November 11, 2020

To,
DCS,
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001.
Code: 526668

To,
The Manager
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra -Kurla Complex,
Bandra (E), Mumbai – 400 051
Code:- KAMATHOTEL-EQ

Dear Sirs,

Sub: Outcome of Board Meeting.

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the said Regulations”) we hereby inform you that the Board of Directors of the Company at their meeting held today i.e. 11th November, 2020 have inter-alia accorded their approval for the following matters:

1. Unaudited Standalone and Consolidated Financial Results for the quarter and half year ended 30th September, 2020.

Pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the following:

- i) Unaudited Standalone and Consolidated Financial Results for the quarter and half year ended 30th September, 2020.
 - ii) Limited Review Report of the Standalone and Consolidated financial results for the quarter and half year ended 30th September, 2020 issued by the Statutory Auditors of the Company.
2. Approved and taken on record of management agreement for management of 36 Nos. guestrooms, meeting facilities, food and beverage component, outdoor pool facility, and all other necessary components located at S.No. 10/1, having C.T.S. No. 284, Valvan, Mumbai - Pune Highway, Lonavala, Maharashtra – 410401.

The Meeting commenced at 11.45 a.m. and concluded at 3.35 p.m.

You are requested to take the above on record.

Thanking You,
Yours faithfully,
For Kamat Hotels (India) Limited

VITHAL VENKATESH
KAMAT

Digitally signed by VITHAL
VENKATESH KAMAT
Date: 2020.11.11 15:44:04
+05'30'



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

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



Limited Review Report on the quarterly and half yearly unaudited standalone financial results of Kamat Hotels India Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

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

1. We have reviewed the accompanying unaudited standalone financial results ("the Statement") of Kamat Hotels India Limited ("the Company") for the quarter and half year ended 30th September, 2020, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

Management responsibility for the Statement

2. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.

Auditor's responsibility

3. Our responsibility is to express a conclusion on the Statement based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Conclusion

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the applicable Indian Accounting Standards i.e. 'Ind AS' prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Listing regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Material uncertainty related to going concern

5. Reference is invited to note 4 of the Statement. Company's accumulated losses are in excess of its paid up capital and reserves and, current liabilities exceed the current assets as on 30th September, 2020. Further, in respect of loans, there are non-payment of principal and interest; and there are cumulative unpaid instalments of Rs. 5,386.37 lakhs (including instalments of the current quarter of Rs. 2,072.37 lakhs). 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 6 in Emphasis of matter paragraph below) and the fact that the fair values of assets of the Company are significantly higher than the borrowings/debts, these financial results have been prepared on a going concern basis which contemplates realization of assets and settlement of liabilities in the normal course of Company's business.

N. A. SHAH ASSOCIATES LLP

Chartered Accountants

Limited Review Report on the quarterly and half yearly unaudited standalone financial results of Kamat Hotels India Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (..continued)

Our opinion is not modified in respect of the above matter. In respect of above matter, attention was also drawn by us in our limited review report of quarter ended 30th June, 2020 and in quarters of earlier years and report for the year ended 31st March, 2020, 31st March, 2019 and 31st March, 2018. Our conclusion / opinion was not modified in respect of above matter in quarter ended 30th June, 2020, earlier quarters / years also.

Emphasis of matters

6. Attention is invited to note 3(a) of the Statement which state that in respect of borrowings, there is non-payment of stipulated instalments comprising of principal and interest. Cumulative unpaid instalments are Rs. 5,386.37 lakhs (this includes Rs. 2,072.37 lakhs of instalments which became due in the current quarter). The Company had sent signed letters by e-mails in the month of March 2020, in June 2020 to various lenders (except Kotak bank) and has sent an e-mail in September 2020 to Kotak bank for the extension of the dues considering Covid-19 pandemic. We are informed by the management that in-principle approval has been received in writing from one of the lenders for extension of three EMI's amounting to Rs. 143 lakhs each. In respect of other dues / lenders, though written confirmation from other lenders are awaited, all lenders have agreed for the extension verbally. However, in the absence of written communication from the lenders approving the extension, we are unable to validate the extension granted to the Company by the lenders. Further as per management in view of the extension, event of default has not been triggered (we have relied on management view for non-applicability of event of default).

Further, as stated in note 3(b) of the Statement, in continuation of the view taken in the earlier quarters 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.

7. 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 conclusion is not modified in respect of the above matters. In respect of above matters, attention was also drawn by us in our limited review report for the quarter ended 30th June, 2020 and report for the year ended 31st March, 2020. Our conclusion / opinion was not modified in respect of above matter in previous quarter / year also.

For N. A. Shah Associates LLP

Chartered Accountants

Firm's Registration No. 116560W/W100149

SANDEEP
NATWARLAL
SHAH

Digitally signed by SANDEEP NATWARLAL SHAH
DN: cn=PE, o=Personal, cn=SANDEEP NATWARLAL
SHAH,
serialNumber=92011411f6c0d4954623c5678e5f
23391947836e23118343e33004ec0f31,
ipAddress=402006,
2.5.4.20=6A2118F0077b7d2c605177280237d5f62
e23811427e082700658003006, st=Maharashtra,
Location=Mumbai,
Email=9201141143140+053F

Sandeep Shah

Partner

Membership number: 37381

UDIN: 20037381AAAEM7377

Place: Mumbai

Date: 11th November, 2020

Kamat Hotels (India) Limited
Registered Office: 70-C, Nehru Road, Vile Parné (East), Mumbai - 400 099
CIN: L55101MH1986PLC039307, Tel. No. 022 26164000
Website: www.khil.com, Email: cs@khil.com

Statement of standalone financial results for the quarter and half year ended 30th September 2020

Sr. No.	Particulars	Quarter ended 30th Sep 2020		Quarter ended 30th Jun 2020		Quarter ended 30th Sep 2019		Half year ended 30th Sep 2020		Half year ended 30th Sep 2019		Year ended 31st Mar 2020	
		Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited
1	Income												
	(a) Revenue from operations	864.30		576.25		3,962.85		1,440.55		8,296.93		17,930.64	
	(b) Other income	17.05		18.86		20.86		35.91		40.16		89.99	
	Total income	881.35		595.11		3,983.71		1,476.46		8,337.09		18,020.63	
2	Expenses												
	(a) Consumption of food and beverages	41.13		47.34		371.02		88.47		784.60		1,636.02	
	(b) Employee benefits expense (Refer note 10)	254.73		132.12		1,111.42		386.85		2,287.50		4,517.12	
	(c) Finance cost (Refer note 9)	978.38		880.58		626.89		1,858.96		1,171.35		3,436.40	
	(d) Depreciation and amortisation expense	251.77		249.85		256.28		501.62		533.41		1,051.70	
	(e) Other expenses												
	(i) Heat, light and power	106.87		58.54		331.61		185.41		675.07		1,215.69	
	(ii) Others	472.07		409.24		1,134.51		881.31		2,319.40		4,939.49	
	Total expenses	2,104.95		1,777.67		3,831.73		3,882.62		7,771.33		16,796.42	
3	(Loss) / profit before exceptional items and tax [1-2]	(1,223.60)		(1,182.56)		151.98		(2,406.16)		565.76		1,224.21	
4	Exceptional items - income (Refer note 5 and 9)	-		373.17		-		373.17		-		2,369.28	
5	(Loss) / profit for the period / year before tax [3-4]	(1,223.60)		(809.39)		151.98		(2,032.99)		565.76		3,593.49	
6	Tax expense												
	Current tax (Refer note 8)	-		-		-		-		97.39		297.75	
	Deferred tax - (credit) for current period / year (net) (Refer note 8)	(304.59)		(216.71)		(303.96)		(521.30)		(277.78)		(287.24)	
	Short provision for current tax / deferred tax (net)	-		-		13.39		-		13.39		13.39	
	Total tax expenses	(304.59)		(216.71)		(290.57)		(521.30)		(167.00)		23.90	
7	(Loss) / profit for the period / year [5-6]	(919.01)		(592.68)		442.55		(1,511.69)		732.76		3,569.59	
8	Other comprehensive income												
	Items that will not be reclassified to profit or loss												
	(i) Remeasurement of defined benefit plans - gain / (loss)	3.35		3.35		(4.55)		6.70		4.18		13.40	
	(ii) Income taxes effect on above	(0.84)		(0.84)		1.32		(1.68)		(1.22)		(3.90)	
	Total other comprehensive income	2.51		2.51		(3.23)		5.02		2.96		9.50	
9	Total comprehensive income for the period / year [7+8]	(916.50)		(590.17)		439.32		(1,506.67)		735.72		3,579.09	
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		2,417.26		2,417.26	
11	Reserve excluding revaluation reserves												
12	Earnings per share (Face value per share of Rs. 10/- each)												
	(a) Basic (Rs.)	(3.90)		(2.51)		1.88		(6.41)		3.11		15.14	
	(b) Diluted (Rs.)	(3.90)		(2.51)		1.88		(6.41)		3.11		15.14	

Kamat Hotels (India) Limited

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Notes:

- 1 The above unaudited standalone financial results have been reviewed by the Audit Committee and are approved by the Board of Directors at their meeting held on 11th November, 2020. The statutory auditors have carried out a limited review of the standalone financial results for the quarter and half year ended 30th September, 2020.
- 2 The above unaudited 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.
- 3 (a) As on 30th September, 2020, there is non-payment of stipulated instalments comprising of principal and interest. The cumulative unpaid instalments amounts to Rs. 5,386.37 lakhs (this includes instalments of Rs. 2,072.37 lakhs which was due in the current quarter). The Company had sent signed letters by e-mails in the month of March 2020, in June 2020 to various lenders (except Kotak bank) and has sent an e-mail in September 2020 to Kotak bank for the extension of the dues considering COVID-19 pandemic. In-principle approval has been received in writing from one of the lenders for extension of three EMIs amounting to Rs. 143 lakhs each. In respect of other dues / lenders, though written confirmation from others lenders are awaited, all lenders have agreed for the extension verbally. In view of the above, in the opinion of the management, event of default is not triggered and therefore, there is no other accounting implications. Subsequent to current quarter, the Company has submitted restructuring proposals to some of the lenders and their replies are awaited. Impact if any, will be considered in the period in which the Company and the lenders agree on the revised terms.
(b) In continuation of the view taken in the quarter / year ended 31st March 2020, quarter ended 30th June 2020 and as per 3(a) above, in the opinion of the management, no information is required to be given to the stock exchange for unpaid loan instalments as at 30th September 2020.
In respect of 3(a) and (b) above, the statutory auditors have reported emphasis of matter in their report on the standalone financial results for the quarter and half year ended 30th September, 2020, quarter ended 30th June, 2020 and for the year ended 31st March, 2020.
- 4 As per unaudited standalone financial results, Company's accumulated losses are in excess of its paid up capital and other equity and, current liabilities exceed the current assets as on 30th September, 2020. Further, in respect of loans, there are non-payment of stipulated instalments comprising of principal and interest. In the opinion of the management, considering 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 unaudited 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 continued reference of above matter in their report on the unaudited standalone financial results for the quarter and half year ended 30th September, 2020. Further, the statutory auditors had also drawn reference of above matter in their report on the standalone financial results of quarter ended 30th June, 2020 and in quarters of earlier years and report for the year ended 31st March, 2020, 31st March, 2019 and 31st March, 2018.
- 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. During the quarter ended 30th June, 2020, final approval and insurance claim was received. Accordingly, insurance claim of Rs. 373.17 lakhs was recognised as revenue in the quarter ended 30th June, 2020 and shown under "Exceptional item".
- 6 Due to outbreak of COVID-19 pandemic, the Company had a significant impact on the business operations of the Company during the lockdown period. As per directives by the Governments, the Company has re-opened its hotels and operations has gradually increased. The company expects recovery in business to be driven by domestic and international leisure and business travel as the normalcy restores. 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 due to COVID-19. The impact of the global health pandemic may be different from that estimated as at the date of approval of these unaudited standalone financial results and the Company will continue to monitor the future economic conditions and assess its impact on financial results. In this respect, the statutory auditors have reported emphasis of matter in their report on the standalone financial results for the quarter and half year ended 30th September 2020, quarter ended 30th June, 2020 and for the year ended 31st March, 2020.

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- 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 For the current financial year, the Company has opted for lower tax rate under Section 115BAA of the Income Tax Act, 1961. Current tax for the year ended 31st March, 2020 was provided as per old tax regime. Further, deferred tax for the year ended 31st March, 2020 includes credit of Rs. 349.94 lakhs on account of applying lower tax rate as per the new regime to which the company has migrated in the year 2020-21.
- 9 During the year ended 31st March, 2020, an ARC (to which two banks and one financial institution had assigned the secured debts) had 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) was recomputed based on the revised principal amount. The management is of the view that the de-recognition and the consequent write back of loan and re-computation of EIR had 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 year ended 31st March, 2020, the Company had 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 had been shown as "exceptional item". In this respect, the statutory auditors had reported emphasis of matter in their report on the standalone financial results for the year ended 31st March, 2020.
- 10 (a) The Company had paid excess remuneration of Rs. 41.94 lakhs to its Executive Chairman and Managing Director (ECMD) for the financial year ended 31st March, 2020 which was subject to shareholders approval at the AGM. In this respect, the statutory auditors had reported emphasis of matter in their report on the standalone financial results for the year ended 31st March, 2020. However, subsequent to the approval of audited accounts for the year ended 31st March, 2020, at the meeting of the Board of Directors held on 28th August, 2020, the Board decided to recover the excess remuneration amounting to Rs. 41.94 lakhs in view of ongoing business scenario and consequently the said amount had been written back in quarter ended 30th June, 2020. Out of the excess remuneration paid, Rs. 4.40 lakhs has been recovered in the current quarter.
- (b) Further, during the quarter and half year ended 30th September, 2020 and quarter ended 30th June, 2020, there is a significant reduction in employee benefit cost as a result of liability accruing only in respect of those employees who have been required to report for work. This also applies to the ECMD and accordingly there is a reduction in managerial remuneration also.

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11 Standalone statement of assets and liabilities**(Rs. in Lakhs)**

Particulars	As at	As at
	30th Sep 2020	31st Mar 2020
	Unaudited	Audited
Assets		
Non-current assets		
(a) Property, plant and equipment	25,903.02	26,376.36
(b) Right of use assets	99.95	104.17
(c) Intangible assets	76.72	77.22
(d) Capital work in progress	526.42	521.22
(e) Investment property	1,047.26	1,058.19
(f) Financial assets		
(i) Investment in subsidiaries, associates and joint venture	4.00	4.00
(ii) Investments	17.50	15.32
(iii) Loans	2,006.72	1,955.56
(iv) Other non-current financial assets	5.32	6.52
(g) Income tax assets (net)	995.04	940.34
(h) Other non-current assets	3,576.44	3,658.06
Sub- total	34,258.39	34,716.96
Current assets		
(a) Inventories	195.34	258.47
(b) Financial assets		
(i) Investments	3.97	3.81
(ii) Trade receivables	348.20	987.12
(iii) Cash and bank balances		
- Cash and cash equivalents	462.02	252.82
- Other bank balances	55.93	67.86
(v) Loans	50.84	13.52
(vi) Other current financial assets	22.00	20.53
(c) Income tax assets (net)	-	231.52
(d) Other current assets	356.59	425.15
Sub- total	1,494.89	2,260.80
Total Assets	35,753.28	36,977.76
Equity and liabilities		
Equity		
(a) Equity share capital	2,417.26	2,417.26
(b) Other equity	(3,076.86)	(1,570.19)
Sub- total	(659.60)	847.07
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	14,890.18	18,684.68
(ii) Lease liabilities	98.37	96.52
(iii) Other non-current financial liabilities	108.87	119.86
(b) Provisions	424.05	423.05
(c) Deferred tax liabilities (net)	1,807.55	2,327.18
(d) Other non-current liabilities	416.08	453.32
Sub- total	17,745.10	22,104.61
Current liabilities		
(a) Financial liabilities		
(i) Trade payables		
- Amount due to micro and small enterprises	240.01	226.24
- Amount due to other than micro and small enterprises	2,139.01	2,236.78
(ii) Lease liabilities	15.34	16.57
(iii) Other current financial liabilities	14,148.39	9,417.21
(b) Other current liabilities	1,959.93	1,992.37
(c) Provisions	165.10	136.91
Sub- total	18,667.78	14,026.08
Total equity and liabilities	35,753.28	36,977.76

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12 Standalone statement of cash flows**(Rs. in Lakhs)**

Particulars	For the half year ended	For the half year ended
	30th Sep.2020	30th Sep.2019
	Unaudited	Unaudited
A. CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) / profit before taxes and other comprehensive income	(2,032.99)	565.76
Adjustments for:		
Finance cost	1,858.96	1,171.35
Interest income	(12.45)	(8.58)
Depreciation and amortization	501.62	533.41
(Reversal)/provision for expected credit loss and doubtful debt advances	132.32	(53.80)
Loss on sale/ discard of fixed assets	-	0.36
Rent income	(20.61)	(26.31)
Insurance claim (exceptional item)	(373.17)	-
(Gain) on fair value of investments	(2.34)	(1.85)
Dividend income	-	(0.43)
Operating profit / (loss) before working capital changes	51.34	2,179.91
Movements in working capital : [Including Current and Non-current]		
Decrease in loans, trade receivable and other assets	568.31	40.34
Decrease in inventories	63.13	56.67
Increase / (decrease) in trade payable, other liabilities and provisions	(566.84)	652.58
Adjustment for:		
Direct taxes (paid) (including tax deducted at source) / refund (net)	178.07	(61.75)
Net cash generated/ (used in) from operating activities...(A)	294.01	2,867.76
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (Including capital work in progress and capital advances)	(17.85)	(155.28)
Temporary refund received of loan given to wholly owned subsidiary	360.00	780.00
Repayment of temporary refund of loan given to wholly owned subsidiary	(360.00)	(780.00)
Insurance claim received	148.17	-
Rent income received	20.61	26.31
Interest income	10.98	3.46
Dividend income	-	0.43
(Increase)/decrease in bank balance [Current and non-current] (other than cash and cash equivalent)	13.13	43.98
Adjustment for:		
Direct taxes (paid) (including tax deducted at source)	(1.25)	(0.86)
Net cash (used in) / from investing activities... (B)	173.79	(81.96)

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Particulars	For the half year ended	For the half year ended
	30th Sep 2020	30th Sep 2019
	Unaudited	Unaudited
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	6.44	-
Repayment of long term borrowings	-	(1,409.02)
Payments of lease liabilities	(12.32)	(12.22)
Interest paid (Including other borrowing cost)	(48.10)	(1,191.21)
Net cash (used in) / from financing activities... (C)	(53.98)	(2,612.45)
Net increase / (decrease) in cash and cash equivalents (A+ B+C)	413.82	173.34
Cash and cash equivalents at beginning of the year (net of book overdraft)	48.20	-
Cash and cash equivalents at end of the year	462.02	173.34
Net increase / (decrease) in cash and cash equivalents	413.82	173.34

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

VITHAL VENKETESH
KAMAT

Digitally signed by VITHAL
VENKETESH KAMAT
Date: 2020.11.11 13:53:18
+05'30'

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

Place: Mumbai

Date: 11th November, 2020

Limited Review Report on the quarterly and half yearly unaudited consolidated financial results of Kamat Hotels India Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

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

1. We have reviewed the accompanying unaudited consolidated financial results of Kamat Hotels (India) Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), and its share of the net (loss) after tax and total comprehensive income of its joint venture for the quarter and half year ended 30th September, 2020, ('the Statement'), 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 ("Listing Regulation").

Management's responsibility for the Statement

2. This Statement, is the responsibility of the Holding Company's Management and has been approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.

Auditor's responsibility

3. Our responsibility is to express a conclusion on the Statement based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the Listing regulations, as amended, to the extent applicable.

4. The Statement includes the results of the following entities:

Name of the entity	Relationship
Orchid Hotels Pune Private Limited ('OHPPL')	Subsidiaries
Mahodadhi Palace Private Limited ('MPPL')	
Kamat Restaurants (India) Private Limited ('KRIPL')	
Orchid Hotels Eastern (I) Private Limited ('OHEIPL')	
Fort Jadhavgadh Hotels Private Limited ('FJHPL')	
Ilex Developers & Resorts Limited ('IDRL')	Joint Venture

Limited Review Report on the quarterly and half yearly unaudited consolidated financial results of Kamat Hotels India Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (continued...)

Basis of qualified conclusion

5. 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 24th December, 2018 of Rs. 42,110.91 lakhs, the liability as per the books is only Rs. 18,833.99 lakhs (this amount includes interest liability accounted in books upto 30th September 2013). In earlier 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 1st October 2013 till 30th September, 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. Further, the change in amount from 25th December, 2018 till 30th September, 2020 has not been considered above.

Had the provision been made based on the claim made by the lender, borrowing cost and the negative net worth as at 30th September, 2020 would increase by the amount of difference in liability as stated above plus the interest from 25th December 2018 upto 30th September, 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 limited review report for quarter ended 30th June, 2020, in quarters of previous year and report for the year ended 31st March, 2020, 31st March, 2019 and 31st March, 2018.

Qualified conclusion

6. Based on our review conducted and procedures performed as stated in paragraph 3 above and except for the effect of matter described in paragraph 5 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms Listing regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Material uncertainty related to going concern

7. 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 the Statement, 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 9 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 conclusion is not modified in respect of above matter. In respect of above matter, attention was also drawn by us in our limited review report for quarter ended 30th June, 2020, in quarters of previous year and report for the year ended 31st March, 2020, 31st March, 2019 and 31st March, 2018. Our conclusion / opinion was not modified in respect of above matter in earlier quarters / years also.

Limited Review Report on the quarterly and half yearly unaudited consolidated financial results of Kamat Hotels India Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (continued...)

Emphasis of Matter

8. Attention is invited to note 6(iii) of the Statement. In respect of dispute over lease rent payable to the government agency, subsidiary company (OHPPL) has accounted for the liability for the period from 1st November, 2014 to 30th September, 2020 which is unpaid to the extent of Rs. 1,406.30 lakhs. Further, during the quarter / year ended 31st March, 2020, the Hon'ble Bombay High Court had appointed sole arbitrator to resolve the disputes. As per the management, interest / penalty, if any, will be accounted in the period / year in which dispute will be resolved.
9. Attention is invited to note 4(a) of the Statement which state that in Holding Company, there is non-payment of stipulated instalments comprising of principal and interest. Cumulative unpaid instalments are Rs. 5,386.37 lakhs (this includes Rs. 2,072.37 lakhs of instalments which became due in the current quarter). The Holding Company sent signed letters by e-mails in the month of March 2020, in June 2020 to various lenders (except Kotak bank) and has sent an e-mail in September 2020 to Kotak bank for the extension of the dues considering Covid-19 pandemic. We are informed by the management that in-principle approval has been received in writing from one of the lenders for extension of three EMI's amounting to Rs. 143 lakhs each. In respect other dues / lenders, though written confirmation from other lenders are awaited, all lenders have agreed for the extension verbally. However, in the absence of written communication from the lenders approving the extension, we are unable to validate the extension granted to the Holding Company by the lenders. Further as per management in view of the extension, event of default has not been triggered (we have relied on management view for non-applicability of event of default).

Further, as stated in note 4(b) of the Statement, in continuation of the view taken in the earlier quarters 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.

10. 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.
11. Attention is invited to note 6(iv) of the Statement, that the subsidiary company (OHPPL), is in the process of appointing Company Secretary (key managerial personnel) as required by Section 203 of the Companies Act, 2013.

Our conclusion is not modified in respect of above matters. In respect of the matter covered in 8 above, attention was also drawn by us in our limited review report for quarter ended 30th June, 2020, in quarters of previous year and report for the year ended 31st March, 2020, 31st March, 2019 and 31st March, 2018. In respect of matter covered in paragraphs 9 to 11 above, attention was also drawn by us in our limited review report for quarter ended 30th June, 2020 and report for the year ended 31st March, 2020. Our conclusion / opinion was not modified in respect of above matters in earlier quarters / years also.

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

**SANDEEP
NATWARLAL
SHAH**

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Date: 2020.11.11 14:31:02 +05'30'

Sandeep Shah
Partner
Membership number: 37381
UDIN: 20037381AAAEN7318

Place: Mumbai
Date: 11th November, 2020

Kamat Hotels (India) Limited

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Statement of consolidated financial results for the quarter and half year ended 30th September, 2020

Sl. No.	Particulars	(Rs. in lakhs)					
		Quarter ended 30th Sep 2020	Quarter ended 30th Jun 2020	Quarter ended 30th Sep 2019	Half year ended 30th Sep 2020	Half year ended 30th Sep 2019	Year ended 31st Mar 2020
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income						
	(a) Revenue from operations	1,090.81	699.84	4,992.20	1,790.65	10,324.19	22,198.07
	(b) Other income	28.63	32.01	33.70	60.64	58.29	141.43
	Total income	1,119.44	731.85	5,025.90	1,851.29	10,382.48	22,339.50
2	Expenses						
	(a) Consumption of food and beverages	58.95	54.54	459.70	113.49	990.37	2,037.49
	(b) Employee benefits expense (Refer note 15)	327.23	179.23	1,421.42	506.46	2,877.00	5,694.47
	(c) Finance cost (Refer note 14)	1,052.85	951.84	706.11	2,004.69	1,321.14	3,730.63
	(d) Depreciation and amortisation expense	441.80	437.78	445.52	879.58	913.63	1,815.41
	(e) Other expenses						
	(i) Heat, light and power	162.61	89.11	432.53	251.72	891.99	1,604.27
	(ii) Others	586.68	508.65	1,573.76	1,095.33	3,086.59	6,523.91
	Total expenses	2,630.12	2,221.15	5,039.04	4,851.27	10,080.72	21,406.18
3	(Loss) / profit before share of (loss) of joint venture, exceptional items and tax [1-2]	(1,510.68)	(1,489.30)	(13.14)	(2,999.98)	301.76	933.32
4	Share of (loss) from joint venture accounted for using equity method	(20.79)	(22.10)	(37.70)	(42.89)	(47.35)	(29.10)
5	(Loss) / profit before exceptional items and tax [3+4]	(1,531.47)	(1,511.40)	(50.84)	(3,042.87)	254.41	904.22
6	Exceptional items - income - net (Refer note 6(v), 9, 10 & 14)	-	373.17	-	373.17	-	1,523.21
7	(Loss) / profit for the period / year before tax [5+6]	(1,531.47)	(1,138.23)	(50.84)	(2,669.70)	254.41	2,427.43
8	Tax expense						
	Current tax (Refer note 12)	-	-	-	-	147.96	297.97
	Deferred tax - (credit) for current period / year (net) (Refer note 12)	(309.06)	(221.23)	(307.30)	(530.29)	(382.59)	(361.41)
	Short provision for current tax / deferred tax (net)	-	-	11.55	-	11.55	13.39
	MAT credit written off	-	-	0.13	-	0.13	-
	Total tax expenses	(309.06)	(221.23)	(295.62)	(530.29)	(222.95)	(50.05)
9	(Loss) / profit for the period / year [7-8]	(1,222.41)	(917.00)	244.78	(2,139.41)	477.36	2,477.48
10	Other comprehensive income						
	Items that will not be reclassified to profit or loss						
	(i) Remeasurement of defined benefit plans - gain / (loss)	2.80	2.80	(1.69)	5.60	6.81	11.22
	(ii) Income taxes effect on above	(0.84)	(0.84)	1.32	(1.68)	(1.22)	(3.90)
	Total other comprehensive income	1.96	1.96	(0.37)	3.92	5.59	7.32
11	Total comprehensive income for the period / year [9+10]	(1,220.45)	(915.04)	244.41	(2,135.49)	482.95	2,484.80

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Statement of consolidated financial results for the quarter and half year ended 30th September, 2020

Sr. No.	Particulars	(Rs. in lakhs)					
		Quarter ended 30th Sep 2020 Unaudited	Quarter ended 30th Jun 2020 Unaudited	Quarter ended 30th Sep 2019 Unaudited	Half year ended 30th Sep 2020 Unaudited	Half year ended 30th Sep 2019 Unaudited	Year ended 31st Mar 2020 Audited
12	Total comprehensive income for the period / year attributable to: (a) To owner of parent (b) To non controlling interest	(1,220.45) -	(915.04) -	244.41 -	(2,135.49) -	482.95 -	2,484.80 -
13	Out of total comprehensive income for the period / year: (Loss) / profit for the period / year attributable to: (a) To owner of parent (b) To non controlling interest Other comprehensive income attributable to: (a) To owner of parent (b) To non controlling interest	(1,222.41) -	(917.00) -	244.78 -	(2,139.41) -	477.36 -	2,477.48 -
14	Paid-up equity share capital (including forfeited shares) (Face value per share of Rs. 10/- each)	1.96 -	1.96 -	(0.37) -	3.92 -	5.59 -	7.32 -
15	Reserve excluding revaluation reserves	2,417.26	2,417.26	2,417.26	2,417.26	2,417.26	2,417.26
16	Earnings per share (Face value per share of Rs. 10/- each) (a) Basic (Rs.) (b) Diluted (Rs.)	(5.18) (5.18)	(3.89) (3.89)	1.04 1.04	(9.07) (9.07)	2.02 2.02	10.50 10.50

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Notes:

- 1 The above unaudited consolidated financial results have been reviewed by the Audit Committee and are approved by the Board of Directors at their meeting held on 11th November, 2020. The statutory auditors have carried out a limited review of the consolidated financial results for the quarter and half year ended 30th September, 2020.
- 2 The above unaudited 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].
- 3 The consolidated financial results for the quarter and half year ended 30th September, 2020, and previous quarter / year include financial results in respect of following entities: Wholly owned subsidiary companies (a) Orchid Hotels Pune Private Limited (OHPPL), (b) Fort Jadhavgadhi Hotels Private Limited (FHPL), (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 - flex Developers & Resorts Limited (IDRL).
- 4 (a) In respect of Holding Company, as on 30th September 2020, there is non-payment of stipulated instalments comprising of principal and interest. The cumulative unpaid instalments amounts to Rs. 5,386.37 lakhs (this includes instalments of Rs. 2,072.37 lakhs which was due in the current quarter). The Holding Company had sent signed letters by e-mails in the month of March 2020, in June 2020 to various lenders (except Kotak bank) and has sent an e-mail in September 2020 to Kotak bank for the extension of the dues considering COVID-19 pandemic. In-principle approval has been received in writing from one of the lenders for extension of three EMI's amounting to Rs. 143 lakhs each. In respect of other dues / lenders, though written confirmation from other lenders are awaited, all lenders have agreed for the extension verbally. In view of the above, in the opinion of the Holding Company's management, event of default is not triggered and therefore, there is no other accounting implications. Subsequent to current quarter, the Holding Company has submitted restructuring proposals to some of the lenders and their replies are awaited. Impact if any, will be considered in the period in which the Holding Company and the lenders agree on the revised terms.
(b) In continuation of the view taken in the quarter / year ended 31st March 2020, quarter ended 30th June 2020 and as per 4(a) 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 30th September 2020.
In respect of 4(a) and (b) above, the statutory auditors have reported emphasis of matter in their report on the consolidated financial results for the quarter and half year ended 30th September, 2020, quarter ended 30th June, 2020 and for the year ended 31st March, 2020.
- 5 As per unaudited standalone financial results of the Holding Company, there are accumulated losses which are in excess of its paid up capital and reserves and current liabilities exceed the current assets as on 30th September, 2020. Further, in respect of borrowings, stipulated instalments comprising of principal and interest are unpaid as at 30th September, 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 unaudited 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 earlier 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 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. Further, the interest amount from 25th December, 2018 till 30th September, 2020 has not been quantified. As per the proposed terms with new ARC, the management has agreed to transfer the 100% shares of the subsidiary company. Subsequent to the approval of audited results for the year ended 31st March, 2020, based on the legal opinion sought, the directors are of the opinion that subject to the outcome of Debt Recovery Tribunal proceedings, the assignment of loan from one ARC to another was bad in law and the claim against the company & guarantors are barred by limitation act and hence not confirmed by the Board. The statutory auditors have continued qualified conclusion in respect of above matter in their report on the financial results for the quarter and half year ended 30th September, 2020. Further, qualified conclusion / opinion was also given by the statutory auditors in their limited review reports for the quarter ended 30th June, 2020, in quarters of previous year and reports for the year ended 31st March, 2020, 31st March, 2019 and 31st March, 2018.

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- 6 (i) The subsidiary company has incurred loss in the quarter and half year ended 30th September, 2020, its net worth is fully eroded and its current liabilities exceeds the current assets as on 30th September, 2020. 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 property, plant and equipment made in the previous year [also refer note 6(v)] 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.
- (ii) In respect of dispute over lease rent levied by Director of Sports, the subsidiary company has accounted for the liability amounting to Rs. 1,536.15 lakhs for the period from 1st November, 2014 to 30th September, 2020; out of which a part payment of Rs. 129.85 lakhs have been made during the quarter. Further, during the year ended 31st March, 2020, the Hon'ble Bombay High Court had appointed sole arbitrator to resolve the disputes. Interest / penalty, if any, will be accounted in the period / year in which dispute will be resolved.
- Further, during the previous quarter ended 30th June 2020, the subsidiary company, by invoking Covid-19 as the force majeure event, had applied to the authorities for waiver of lease rent during the lockdown imposed by the Government. The said application is pending and waiver, if any, will be accounted in the period/year in which it will be approved.
- (iv) The subsidiary company is in the process of appointing Company Secretary (key managerial personnel) as required by Section 203 of the Companies Act, 2013.
- (v) During the year ended 31st March, 2020 based on review of recoverable value in respect of net block of property, plant & equipment, in accordance with Ind AS 36 - impairment of assets, provision for impairment loss amounting to Rs. 532.20 lakhs was recognized and shown as an "exceptional item". Total amount of impairment loss recognised till 30th September, 2020 including earlier year is Rs. 21,932.28 lakhs.
- 7 In respect of subsidiary company (MPPL),
The subsidiary company has incurred losses in the quarter and half year ended 30th September, 2020, its accumulated losses are in excess of its paid up capital and reserves and its current liabilities are exceeding current assets as on 30th September, 2020. In the opinion of the management, the financial statements are prepared on going concern basis, considering (a) future prospects 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 unaudited consolidated financial results have also been prepared on a going concern basis. The statutory auditors have continued reference of this matter [based on note 5, 6(ii), and 7] in their report on the unaudited consolidated financial results for the quarter and half year ended 30th September, 2020. Further, the statutory auditors had also drawn reference of above matter in their report on the consolidated financial results for the quarter ended 30th June, 2020, in quarters of previous year and reports for the year ended 31st March, 2020, 31st March, 2019 and 31st March, 2018.
- (ii) In respect of matters covered in note 6(iii), the statutory auditors have continued the emphasis of matter in their report on the consolidated financial results for the quarter and half year ended 30th September 2020. Further, emphasis of matter was also reported by the statutory auditors in consolidated financial results for the quarter ended 30th June, 2020, in quarters of previous year and reports for the year ended 31st March, 2020, 31st March, 2019 and 31st March, 2018.
- In respect of matters covered in note 6(iv), the statutory auditors have reported emphasis of matter in their report on the consolidated financial results for the quarter and half year ended 30th September 2020, quarter ended 30th June, 2020 and for the year ended 31st March, 2020.
- 9 In respect of joint venture (IDRL),
During the year ended 31st March, 2020, in accordance with Ind AS 36 - impairment of assets, the management of the joint venture (JV) company had reviewed the recoverable value in respect of net block of property, plant & equipment. Based on such assessment, management of Holding Company also had 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 Holding Company had been recognized during the year ended 31st March, 2020. The same was disclosed as exceptional item.

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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 of one hotel property in Orissa 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. During the quarter ended 30th June, 2020, final approval and insurance claim was received. Accordingly, insurance claim of Rs. 373.17 lakhs was recognised as revenue in the quarter ended 30th June, 2020 and shown under "Exceptional item".

b) In respect of subsidiary company (MPPPL), loss of 187.29 lakhs was accounted in the quarter ended 30th June, 2019 and additional loss of Rs. 77.14 lakhs was accounted in the quarter ended 31st March, 2020, totalling to Rs. 264.43 lakhs in the year ended 31st March, 2020. Upon final approval of the claim, further loss of Rs. 5.97 lakhs was accounted in the quarter ended 30th June, 2020. The balance insurance claim has been received in the current quarter.

c) In respect of joint venture company, the insurance claim has been approved in the current quarter and the claim amount is received.

11 Due to outbreak of COVID-19 pandemic, there had been a significant impact on the business operations of the Group and joint venture during the lockdown period. As per directives by the Governments, the Group and joint venture have re-opened their hotels and operations have gradually increased. The Group and joint venture expects recovery in business to be driven by domestic and international leisure and business travel as the normalcy restores. The Group and joint venture have carried out impairment assessment for the carrying value of property, plant & equipment, right of use asset, intangible assets, trade receivables, inventories and other assets based on the internal and external information upto the date of approval of these financial results including potential impact on account of COVID-19. Based on such assessment, in the opinion of management, provision for impairment loss has been made wherever necessary and expects to recover the carrying amounts of all the assets net of impairment provision. Further, the Holding Company and joint venture have requested its lenders for extension of payment of dues in view of the challenges faced on account of COVID-19. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Group and joint venture will continue to monitor the future economic conditions and assess its impact on consolidated financial results. In this respect, the statutory auditors have reported emphasis of matter in their report on the consolidated financial results for the quarter and half year ended 30th September, 2020, quarter ended 30th June, 2020 and for the year ended 31st March, 2020.

12 For the current financial year, the Holding Company has opted for lower tax rate under Section 115BAA of the Income Tax Act, 1961. Current tax for the year ended 31st March, 2020 was provided as per old tax regime. Further, deferred tax for the year ended 31st March, 2020 includes credit of Rs. 349.94 lakhs on account of applying lower tax rate as per the new regime to which the company has migrated in the year 2020-21.

13 There are no reportable segments under Ind AS-108 'Operating Segments' as the Group and joint venture are operating only in the hospitality service segment, therefore, disclosures of segment wise information is not applicable.

14 During the year ended 31st March, 2020, an ARC (to which two banks and one financial institution had assigned the secured debts) had 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) had been recomputed based on the revised principal amount. The Holding Company's management is of the view that the de-recognition and consequent the write back of loan and re-computation of EIR had 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 year ended 31st March 2020, the Holding Company had 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 had been shown as "exceptional item". In this respect, the statutory auditors had reported emphasis of matter in their report on the consolidated financial results for the year ended 31st March 2020.

15 (a) The Holding Company had paid excess remuneration of Rs. 41.94 lakhs to its Executive Chairman and Managing Director (ECMD) for the financial year ended 31st March, 2020 which was subject to shareholders approval at AGM. The statutory auditors had reported emphasis of matter in their report on the consolidated financial results for the quarter / year ended 31st March 2020. However, subsequent to the approval of audited accounts for the year ended 31st March, 2020, at the meeting of the Board of Directors held on 28th August, 2020, the Board decided to recover the excess remuneration amounting to Rs. 41.94 lakhs in view of ongoing business scenario and consequently the said amount had been written back in quarter ended 30th June, 2020. Out of the excess remuneration paid, Rs. 4.40 lakhs has been recovered in the current quarter.

(b) Further, during the quarter and half year ended 30th September, 2020 and quarter ended 30th June, 2020, there is significant reduction in employee benefit cost as a result of liability accruing only in respect of those employees who have been required to report for work. This also applies to the ECMD and accordingly there is a reduction in managerial remuneration also.

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16 Consolidated statement of assets and liabilities**(Rs. in lakhs)**

Particulars	As at	As at
	30th Sep 2020	31st Mar 2020
	Unaudited	Audited
Assets		
Non-current assets		
(a) Property, plant and equipment	33,472.86	34,305.08
(b) Right of use assets	1,818.00	1,840.56
(c) Intangible assets	90.49	88.44
(d) Capital work in progress	536.81	521.22
(f) Investment property	1,047.26	1,058.19
(g) Investment accounted for using equity method	65.62	108.51
(h) Financial assets		
(i) Investments	17.50	15.32
(ii) Loans	2,031.24	2,023.28
(iii) Other non-current financial assets	27.87	9.86
(i) Income tax assets (net)	1,113.41	1,043.89
(j) Other non-current assets	3,577.88	3,667.82
Sub- total	43,798.94	44,682.17
Current assets		
(a) Inventories	242.51	314.17
(b) Financial assets		
(i) Investments	3.97	3.81
(ii) Trade receivables	336.01	1,006.52
(iii) Cash and bank balances		
- Cash and cash equivalents	1,628.86	1,535.19
- Other bank balances	98.28	108.96
(iv) Loans	50.84	13.61
(v) Other current financial assets	27.43	70.90
(c) Income tax assets (net)	-	316.64
(d) Other current assets	493.37	641.57
Sub- total	2,881.27	4,011.37
Total Assets	46,680.21	48,693.54
Equity and liabilities		
Equity		
(a) Equity share capital	2417.26	2417.26
(b) Other equity	(16,851.84)	(14,716.35)
Sub- total	(14,434.58)	(12,299.09)
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	16,828.20	20,622.70
(ii) Lease liabilities	1,705.13	1,666.52
(iii) Other non-current financial liabilities	108.87	119.86
(b) Provisions	520.66	505.87
(c) Deferred tax liabilities (net)	1,932.30	2,460.92
(d) Other non-current liabilities	416.08	453.32
Sub- total	21,511.24	25,829.19
Current liabilities		
(a) Financial liabilities		
(i) Trade payables		
- Amount due to micro and small enterprises	272.68	267.19
- Amount due to other than micro and small enterprises	2,290.10	2,470.86
(ii) Lease liabilities	187.25	223.22
(iii) Other current financial liabilities	34,708.72	29,937.82
(b) Other current liabilities	1,972.26	2,120.93
(c) Provisions	172.48	143.36
(d) Current tax liabilities (net)	0.06	0.06
Sub- total	39,603.55	35,163.44
Total equity and liabilities	46,680.21	48,693.54

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17 Consolidated statement of cash flows

Particulars	(Rs. in lakhs)	
	For the half year ended 30th Sep 2020	For the half year ended 30th Sep 2019
	Unaudited	Unaudited
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) / profit before taxes and other comprehensive income	(2,669.70)	254.41
Adjustments for:		
Finance cost	2,004.69	1,321.14
Interest income	(36.06)	(15.61)
Depreciation and amortization	879.58	913.63
(Reversal) / provision for expected credit loss and doubtful debt advances	135.81	(55.28)
Provision for doubtful custom duty receivable	-	45.00
Loss on account of cyclone	5.97	-
(Profit) / loss on sale/ discard of fixed assets	(0.18)	0.36
Share in loss of joint venture (accounted as per equity method)	42.89	47.35
Rent income	(20.61)	(26.31)
Insurance claim (exceptional item)	(373.17)	-
(Gain) on fair value of investments	(2.34)	(1.85)
Dividend income	-	(0.43)
Operating profit / (loss) before working capital changes	(33.12)	2,482.41
Movements in working capital : [Including Current and Non-current]		
(Increase) / decrease in loans, trade receivable and other assets	692.14	(87.51)
Decrease in inventories	71.66	68.08
Increase / (decrease) in trade payable, other liabilities and provisions	(571.88)	934.78
	158.80	3,397.76
Adjustment for:		
Direct taxes (paid) (including tax deducted at source) / refund (net)	250.72	(105.60)
Net cash generated/ (used in) from operating activities... (A)	409.52	3,292.16
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (including capital work in progress and capital advances)	(26.78)	(255.37)
Sale of property, plant and equipment	0.23	-
Insurance claim received	182.20	-
Temporary refund received of advance given	30.00	30.00
Repayment of temporary refund received	(30.00)	(30.00)
Rent income received	20.61	26.31
Interest income	40.41	12.31
Dividend income	-	0.43
(Increase) / decrease in bank balance [Current and non-current] (other than cash and cash equivalent)	7.10	32.36
	223.77	(183.96)
Adjustment for:		
Direct taxes (paid) (including tax deducted at source)	(3.60)	(1.31)
Net cash (used in) / from investing activities... (B)	220.17	(185.27)

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Particulars	(Rs. In lakhs)	
	For the half year ended 30th Sep 2020	For the half year ended 30th Sep 2019
	Unaudited	Unaudited
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	6.44	0.42
Repayment of long term borrowings	-	(1,409.02)
Proceeds from short term borrowings	-	33.50
Interest paid (Including other borrowing cost)	(51.24)	(1,340.79)
Payments of lease liabilities	(150.86)	(20.92)
Net cash (used in) / from financing activities... (C)	(195.66)	(2,736.81)
Net increase / (decrease) in cash and cash equivalents (A+ B+C)	434.03	370.08
Cash and cash equivalents at beginning of the year (net of book overdraft)	1,194.83	517.04
Cash and cash equivalents at end of the year	1,628.86	887.12
Net increase / (decrease) in cash and cash equivalents	434.03	370.08

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

**VITHAL VENKETESH
KAMAT**

Digitally signed by VITHAL
VENKETESH KAMAT
Date: 2020.11.11 13:52:47
+05'30'

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

Place: Mumbai

Date: 11th November, 2020