



# “Asia’s Pioneering Hospitality Chain of Environmentally Sensitive 5 Star Hotels & Resorts”

19<sup>th</sup> May, 2022

To,  
DCS,  
Bombay Stock Exchange Limited  
PhirozeJeejeebhoy 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**  
**ISIN: INE967C01018**

**Symbol:- KAMATHOTEL**

Dear Sirs,

**Sub: Outcome of the Board Meeting held on 19<sup>th</sup> May, 2022.**

Pursuant to Regulations 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors at its meeting held today i.e. 19<sup>th</sup> May, 2022 has inter alia approved and taken on record the following decisions:

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, 2022, 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, 2022.

The Meeting of the Board of Directors of the Company commenced at 12-15 p.m. and concluded at 14.20 p.m.

Kindly take the same on your record and oblige.

Thanking you,

Yours faithfully,

For Kamat Hotels (India) Limited

*W Kamat*  
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

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)

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

**Report on standalone financial results for the year ended 31<sup>st</sup> March 2022****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 2022, 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, the statement:

- i. is 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 loss and other comprehensive income and other financial information for the year ended 31<sup>st</sup> March 2022.

**Basis for 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. As per the standalone financial results, Company's accumulated losses are in excess of its paid-up capital and reserves as at 31<sup>st</sup> March 2022 and its current liabilities are significantly greater than the current assets as on 31<sup>st</sup> March 2022 and 31<sup>st</sup> March 2021. Further, in respect of loans, there are non-payment of stipulated instalments comprising of principal, interest and instalments of Rs. 24,718.00 lakhs which are due and unpaid as at 31<sup>st</sup> March 2022. In the opinion of the management, considering management's action to mitigate the impact of COVID-19 as described in note 6 of the Statement which is also demonstrated through positive earnings before interest, taxes and depreciation (EBITDA), application/ in-principle approvals of OTS as stated in note 3(a) of the statement [also refer para (a) of emphasis of matter para below], the future business prospects from prime hotel properties situated nearby domestic and international airports in Mumbai, the fact that the fair values of the assets of the Company are significantly greater than the borrowings/debts and that the Company has been exploring possibilities to divest/liquidate some of its properties, 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.



# 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)

Our opinion is not modified in respect of the above matter. In respect of above matter, attention was also drawn by the us in our earlier limited review reports on the financial results and independent audit reports. Our conclusion / opinion was not modified in our earlier limited review reports on the financial results and independent audit reports.

## Emphasis of matter

- (a) Attention is invited to note 3(a) of the Statement which state that in respect of most of the loans (other than bank), there are non-payment of stipulated instalments comprising of principal and interest due to the lenders. The cumulative unpaid instalments due amount to Rs. 24,718.00 lakhs (this includes instalments of Rs. 3,028.00 lakhs which was due in the quarter ended 31st March 2022). Continuing regular discussions with the lenders, during the quarter, the Company has applied for One Time Settlement (seeking partial relief in settlement amount) in the nature of cash payment or partially in cash and partially by converting debt into equity as narrated below
- i) During the quarter ended 30th September 2021, one of the lenders had reminded about the outstanding amount payable, to which the company replied stating its inability to make payments on account of severe impact on the business caused by COVID-19 pandemic as well as Government restrictions imposed through various notifications and had further requested for extension upto 30th June 2022. During the current quarter, the Company submitted application for One Time Settlement (OTS) to the lender, and the lender response thereon is awaited.
  - ii) During the current quarter, the Company received guarantee revocation notice from one lender. However, subsequent to 31st March 2022, Company's OTS application was approved in-principle by the said lender and the company has deposited upfront amount after the close of financial year as per the terms of the said settlement.
  - iii) The Company submitted applications for OTS during the current quarter to two lenders, who have communicated in principle approval for OTS and the Company has deposited the upfront amount with one lender after the close of the financial year as per the terms of the said settlement.
  - iv) Approval is also awaited in respect of application for OTS made by the Company in respect of remaining another lender.

The accounting impact of OTS by way of changes in liabilities (including derecognition, if any) and classification changes will be given effect upon execution of OTS arrangement.

Further, based on all the above arrangements and discussions with the lenders and COVID 19 related notifications, management is of the view that reporting for event of default is not warranted.

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 as at 31st March, 2022 (SEBI circular dated 21st November 2019.)

- (b) 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. In respect of above matters, we had also reported the emphasis of matter in our earlier limited review reports and independent audit reports. Our conclusion / opinion was not modified in earlier limited review reports and independent audit reports.



# N. A. SHAH ASSOCIATES LLP

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## Management's responsibility for the Statement

The Statement has been prepared on the basis of the annual standalone 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 loss 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 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 responsibility is to express an opinion on the statement based on our audit of such annual standalone financial statements. 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



# N. A. SHAH ASSOCIATES LLP

Chartered Accountants

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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.

- 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

The statement includes the results for the quarter ended 31<sup>st</sup> March 2022 being the derived figures between the audited figures in respect of the full financial year ended 31<sup>st</sup> March 2022 and the unaudited published year-to-date figures up to 31<sup>st</sup> December 2021, 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 matter.

## For N. A. Shah Associates LLP

Chartered Accountants

Firm's registration number: 116560W / W100149



**Sandeep Shah**

Partner

Membership number: 037381

UDIN: 22037381 A J F P D G 7356



**Place:** Mumbai

**Date:** 19<sup>th</sup> May 2022

**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, Email: cs@khil.com

**Statement of standalone financial results for the year ended 31st March 2022**

(Rs. in lakhs except earnings per share)

Sr. No.	Particulars	Quarter ended	Quarter ended	Quarter ended	Year ended	Year ended
		31st Mar 2022	31st Dec 2021	31st Mar 2021	31st Mar 2022	31st Mar 2021
		Unaudited	Unaudited	Unaudited	Audited	Audited
		[Refer note 12]		[Refer note 12]		
1	<b>Income</b>					
	(a) Revenue from operations (Refer note 11)	3,437.90	3,821.20	2,280.39	10,818.68	5,162.26
	(b) Other income	13.70	18.32	43.05	60.59	100.49
	<b>Total income</b>	<b>3,451.60</b>	<b>3,839.52</b>	<b>2,323.44</b>	<b>10,879.27</b>	<b>5,262.75</b>
2	<b>Expenses</b>					
	(a) Consumption of food and beverages	325.89	423.95	249.88	1,085.25	508.82
	(b) Employee benefits expense (Refer note 10)	776.54	685.20	477.21	2,415.74	1,191.44
	(c) Finance cost	1,254.94	1,174.98	1,023.04	4,752.76	3,890.77
	(d) Depreciation and amortisation expense	258.00	254.96	242.96	1,003.33	1,000.86
	(e) Other expenses					
	(i) Heat, light and power	212.58	250.81	177.93	818.73	487.04
	(ii) Others	1,064.18	1,223.31	790.22	3,773.62	2,271.75
	<b>Total expenses</b>	<b>3,892.13</b>	<b>4,013.21</b>	<b>2,961.24</b>	<b>13,849.43</b>	<b>9,350.68</b>
3	<b>(Loss) before exceptional items and tax [1-2]</b>	<b>(440.53)</b>	<b>(173.69)</b>	<b>(637.80)</b>	<b>(2,970.16)</b>	<b>(4,087.93)</b>
4	Exceptional items - income (Refer note 5)	-	-	-	-	373.17
5	<b>(Loss) for the period / year before tax [3-4]</b>	<b>(440.53)</b>	<b>(173.69)</b>	<b>(637.80)</b>	<b>(2,970.16)</b>	<b>(3,714.76)</b>
6	<b>Tax expense</b>					
	Current tax (Refer note 9)	-	-	-	-	-
	Deferred tax - (credit) for current period / year (net) (Refer note 9)	(109.22)	(39.53)	(149.75)	(736.49)	(946.71)
	Short / (excess) provision for current tax / deferred tax (net)	(0.50)	1.23	-	0.73	(10.85)
	<b>Total tax expenses</b>	<b>(109.72)</b>	<b>(38.30)</b>	<b>(149.75)</b>	<b>(735.76)</b>	<b>(957.56)</b>
7	<b>(Loss) for the period / year [5-6]</b>	<b>(330.81)</b>	<b>(135.39)</b>	<b>(488.05)</b>	<b>(2,234.40)</b>	<b>(2,757.20)</b>
8	<b>Other comprehensive income</b>					
	Items that will not be reclassified to profit or loss					
	(i) Remeasurement of defined benefit plans - gain	13.57	-	35.59	24.98	45.64
	(ii) Income taxes effect on above	(3.42)	-	(8.97)	(6.29)	(11.49)
	<b>Total other comprehensive income</b>	<b>10.15</b>	<b>-</b>	<b>26.62</b>	<b>18.69</b>	<b>34.15</b>
9	<b>Total comprehensive income for the period / year [7+8]</b>	<b>(320.66)</b>	<b>(135.39)</b>	<b>(461.43)</b>	<b>(2,215.71)</b>	<b>(2,723.05)</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	2,417.26
11	Reserve excluding revaluation reserves				(6,508.95)	(4,293.24)
12	Earnings per share (Face value per share of Rs. 10/- each)					
	(a) Basic (Rs.)	(1.40)	(0.57)	(2.07)	(9.47)	(11.69)
	(b) Diluted (Rs.)	(1.40)	(0.57)	(2.07)	(9.47)	(11.69)

See accompanying notes to financial results



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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 19th May 2022. The statutory auditors have carried out audit of the standalone financial results for the year ended 31st March 2022.
- 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.
- 3 (a) As on 31st March, 2022, in respect of most of the loans (other than bank), there are non-payment of stipulated instalments comprising of principal and interest due to the lenders. The cumulative unpaid instalments amounts to Rs. 24,718.00 lakhs (this includes instalments of Rs. 3,028.00 lakhs which was due in the quarter ended 31st March 2022). Continuing regular discussions with the lenders, during the quarter, the Company has applied for One Time Settlement (seeking partial relief in settlement amount) in the nature of cash payment or partially in cash and partially by converting debt into equity as narrated below
  - (i) During the quarter ended 30th September 2021, one of the lenders had reminded about the outstanding amount payable, to which the company replied stating its inability to make payments on account of severe impact on the business caused by COVID-19 pandemic as well as Government restrictions imposed through various notifications and had further requested for extension upto 30th June 2022. During the current quarter, the Company submitted application for One Time Settlement (OTS) to the lender, and the lender response thereon is awaited.
  - (ii) During the quarter, the Company received guarantee revocation notice from one lender. However, subsequent to 31st March, 2022, Company's OTS application was approved in principle by the said lender and the Company has deposited upfront amount after the close of financial year as per the terms of the said settlement.
  - (iii) The Company submitted applications for OTS during the current quarter to two lenders, who have communicated in principle approval for OTS and the Company has deposited the upfront amount with one lender after the close of the financial year as per the terms of the said settlement.
  - (iv) Approval is also awaited in respect of application for OTS made by the Company in respect of remaining another lender.

The accounting impact of OTS by way of changes in liabilities (including derecognition, if any) and classification changes will be given effect upon execution of OTS arrangement.

Further, based on all the above arrangements, discussions with the lenders and COVID-19 related notifications, management is of the view that reporting for event of default is not warranted. Loan balance confirmations from three lenders for balance instalment amounting to Rs. 26,336.29 lakhs are awaited.
- 3 (b) As per 3(a) above and in continuation of the view taken in the earlier quarters and previous year, 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, 2022 as required by SEBI circular dated 21st November, 2019.

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 year ended 31st March, 2022 in line with their earlier limited review reports / independent audit reports since 31st March, 2020.
- 4 As per the standalone financial results, the Company's accumulated losses are in excess of its paid up capital and reserves as at 31st March, 2022 and its current liabilities are significantly greater than the current assets as on 31st March, 2022 and 31st March, 2021. Further, in respect of most of the loans, there are non-payment of stipulated instalments comprising of principal and interest. In the opinion of the management, considering management's action to mitigate the impact of COVID-19 as described in note 6 of the standalone financial results which is also demonstrated through positive earning before interest, taxes and depreciation (EBITDA) for the year ended 31st March, 2022 and for the year ended 31st March 2021, application / in-principle approvals of OTS as stated in note 3(a) above, the future business prospects from prime hotel properties situated nearby domestic and international airports in Mumbai, the fact that the fair values of the assets of the Company are significantly higher than the borrowings/debts and that the Company has been exploring possibilities to divest/liquidate some of its properties, these standalone financial 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 attention of above matter in their report on the financial results for the quarter and year ended 31st March, 2022 in line with their earlier limited review reports / independent audit reports since 31st March, 2020.



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- 5 Exceptional item of Rs. 373.17 lakhs recognised in the previous year represents insurance claim received in respect of Company's hotel property in Orissa which was affected due to "Cyclone Fani".
- 6 The business has been impacted during the year ended 31st March, 2022 on account of COVID-19. During the first quarter of the year, the Company's revenues were adversely impacted due to lock downs imposed in several states across the country to control second wave of COVID-19. The performance of the Company was also affected due to the travel restrictions caused by the third wave in January 2022. After withdrawal of restrictions followed by massive vaccinations, as the normalcy restored in rest of the period during the year, the Company witnessed positive recovery of demand and growth in business driven by increase in domestic and international leisure and business travel. In order to assess the impact of COVID-19, the Company has carried out impairment assessment for the carrying value of property, plant & equipment, right of use asset, intangible assets, trade receivables, inventories and other assets based on the internal and external information upto the date of approval of these financial results including potential impact of COVID-19. Based on such assessment, in the opinion of management no further provision is required to be made as the Company expects to recover the carrying amounts of all the assets. 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 performance. The statutory auditors have reported emphasis of matter in their report on the financial results for the quarter and year ended 31st March, 2022 in line with their earlier limited review reports / independent audit reports since 31st March, 2020.
- 7 Results for the quarter and year ended 31st March, 2022 are not comparable with the corresponding quarter and year ended results of the previous year due to the impact of COVID-19 pandemic, as explained in note 6 above.
- 8 There are no reportable segments under Ind AS-108 'Operating Segments' as the Company is operating only in the hospitality service segment, therefore, disclosure of segment wise information is not applicable.
- 9 Deferred tax asset has been created on losses incurred, considering there is a deferred tax liability on net basis.
- 10 The Company had paid excess remuneration of Rs. 30.61 lakhs in the financial year ended 31st March, 2021 to its Executive Chairman and Managing Director (ECMD). Excess remuneration paid has been fully recovered as on 30th June, 2021. For the period commencing from 1st April 2021, in light of the adverse impact of the pandemic and seeing the current market condition of the industry and sector, no remuneration has been provided / paid to ECMD.
- 11 Revenue from operations for the year ended 31st March, 2021 includes Rs. 150.94 lakhs being grant of indirect taxes refund accrued based on application made by the Company during the year under Maharashtra Package Scheme of Incentives for a hotel unit.
- 12 The figures for the quarter ended 31st March, 2022 and 31st March, 2021 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 quarter ended 31st December, 2021 and 31st December, 2020 which were subjected to limited review.
- 13 Previous periods / year figures are regrouped and rearranged wherever necessary.





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14 **Standalone statement of assets and liabilities as at 31st March 2022**

Particulars	As at 31st March 2022	As at 31st March 2021
	Audited	Audited
<b>Assets</b>		
Non-current assets		
(a) Property, plant and equipment	24,997.95	25,129.25
(b) Capital work in progress	23.62	617.65
(c) Right of use assets	405.95	420.25
(d) Investment property	992.56	1,016.28
(e) Other intangible assets	64.69	75.42
(f) Financial assets		
(i) Investments in subsidiaries and joint ventures	4.00	4.00
(ii) Investments	17.72	19.66
(iii) Loans	-	-
(iv) Other financial assets	2,182.28	2,063.30
(g) Income tax assets (net)	1,124.64	1,015.91
(h) Other non-current assets	3,349.35	3,514.62
<b>Sub- total</b>	<b>33,162.76</b>	<b>33,876.34</b>
Current assets		
(a) Inventories	181.93	156.77
(b) Financial assets		
(i) Investments	6.61	5.28
(ii) Trade receivables	861.70	607.55
(iii) Cash and cash equivalents	860.38	659.19
(iv) Bank balances other than (iii) above	71.57	57.68
(v) Loans	0.04	58.75
(vi) Other financial assets	36.76	36.10
(c) Other current assets	409.76	381.04
<b>Sub- total</b>	<b>2,428.75</b>	<b>1,962.36</b>
<b>Total Assets</b>	<b>35,591.51</b>	<b>35,838.70</b>
<b>Equity and liabilities</b>		
Equity		
(a) Equity share capital	2,417.26	2,417.26
(b) Other equity	(6,508.95)	(4,293.24)
<b>Sub- total</b>	<b>(4,091.69)</b>	<b>(1,875.98)</b>
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	1,947.96	4,480.79
(ii) Lease liabilities	100.66	100.21
(iii) Other financial liabilities	97.20	107.96
(b) Provisions	376.05	388.23
(c) Deferred tax liabilities (net)	640.60	1,370.07
(d) Other non-current liabilities	304.37	378.84
<b>Sub- total</b>	<b>3,466.84</b>	<b>6,826.10</b>
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	22,709.58	21,222.09
(ii) Lease liabilities	12.23	14.11
(iii) Trade payables		
- Amount due to micro and small enterprises	141.21	243.68
- Amount due to other than micro and small enterprises	1,693.96	1,938.82
(iv) Other financial liabilities (includes interest payable on borrowings)	9,591.95	5,826.30
(b) Provisions	107.76	102.09
(c) Other current liabilities	1,959.67	1,541.49
<b>Sub- total</b>	<b>36,216.36</b>	<b>30,888.58</b>
<b>Total equity and liabilities</b>	<b>35,591.51</b>	<b>35,838.70</b>



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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, Email:cs@khil.com

**15 Standalone statement of cash flows for the year ended 31st March 2022**

Particulars	Year ended	Year ended
	31st March 2022	31st March 2021
	Audited	Audited
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>(Loss) before taxes and other comprehensive income</b>	(2,970.16)	(3,714.76)
<b>Adjustments for:</b>		
Finance cost	4,752.76	3,890.77
Interest income	(18.41)	(23.77)
Depreciation and amortization expense	1,003.33	1,000.86
Bad debts written off	-	8.65
Liabilities and provisions written back	(97.49)	(50.50)
Provision for expected credit loss and doubtful advances	126.96	91.96
Loss on sale / discard of property, plant and equipment	3.88	(25.19)
Rent income	(41.00)	(44.09)
Insurance claim (exceptional item)	-	(373.17)
(Gain) on fair value of investments	0.61	(5.81)
Dividend income		
<b>Operating profit before working capital changes</b>	<b>2,760.48</b>	<b>754.95</b>
Movements in working capital : [Including Current and Non-current]		
(Increase) / Decrease in loans, trade receivable and other assets	(302.36)	305.85
(Increase) / Decrease in inventories	(25.16)	101.70
Increase / (decrease) in trade payable, other liabilities and provisions	(279.36)	(1,451.60)
Adjustment for:		
Direct taxes (paid) (including tax deducted at source) / refund (net)	(106.89)	146.70
<b>Net cash generated/ (used in) from operating activities...(A)</b>	<b>2,046.71</b>	<b>(142.40)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment (Including capital work in progress and capital advances)	(275.37)	(140.37)
Sale of property, plant and equipment	4.10	43.00
Temporary fund received from wholly owned subsidiary	270.00	660.00
Repayment of temporary fund received from wholly owned subsidiary	(270.00)	(660.00)
Insurance claim received	-	148.17
Rent income received	48.85	44.09
Interest income	13.48	21.40
(Increase)/decrease in bank balance [Current and non-current] (other than cash and cash equivalent)	(24.04)	11.19
Adjustment for:		
Direct taxes (paid including tax deducted at source)	(1.84)	(1.78)
<b>Net cash (used in) / from investing activities... (B)</b>	<b>(234.82)</b>	<b>125.70</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long term borrowings	422.76	1,020.34
Repayment of long term borrowings	(1,478.72)	(255.28)
Payments of lease liabilities	(25.62)	(24.66)
Interest paid (Including other borrowing cost)	(529.12)	(112.70)
<b>Net cash (used in) / from financing activities... (C)</b>	<b>(1,610.70)</b>	<b>627.70</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+ B+C)</b>	<b>201.19</b>	<b>610.99</b>
Cash and cash equivalents at beginning of the year	659.19	48.20
Cash and cash equivalents at end of the year	860.38	659.19
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>201.19</b>	<b>610.99</b>

SIGNED FOR IDENTIFICATION BY  
  
 N. A. SHAH ASSOCIATES LLP  
 MUMBAI



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

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

Place: Mumbai  
 Date: 19th May, 2022

Independent Auditors' 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 2022****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 2022 ('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.

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 Eastern (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 for qualified opinion paragraph below, gives a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India of the total comprehensive income comprising of net loss and other comprehensive income and other financial information of the Group and joint venture for the year ended 31<sup>st</sup> March 2022.

**Basis for qualified opinion**

In respect of subsidiary company ('OHPPL'), reference is invited to note 6(i) to the Statement. Vide agreement dated 24<sup>th</sup> December 2018, International Asset Reconstruction Company Private Limited (IARC) acquired the loan from M/s Asset Reconstruction Company India Limited (ARCIL) [lender to whom loan was assigned by ICICI Bank in earlier years] for an aggregate amount of Rs. 13,500.00 lakhs. As per the books of the subsidiary company, total outstanding towards this loan is Rs. 18,833.99 lakhs (including interest liability accounted in books upto 30<sup>th</sup> September, 2013). The interest amount from 1<sup>st</sup> October, 2013 till 31<sup>st</sup> March, 2022 has not been provided in the books nor has the same been quantified. Non-provision of interest is not in compliance with the accounting treatment as prescribed under Ind AS 23 Borrowing Cost. As per the legal opinion obtained by the management, no further liability is required to be accounted now considering the terms of settlement and pending execution of the definitive agreement (the modalities of which are being worked out). Further, the Company has filed a commercial suit before the District Court, Pune for performance of the obligations by IARC narrated above, the outcome of which is pending.



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

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)

Had the provision been made, borrowing cost and loss for the current year and previous year and negative net worth as at 31st March, 2022 would increase by the amount of interest for the period 1st October, 2013 to 31st March, 2022 (which has not been provided as per the management's view mentioned above).

In respect of above matter, qualification was also given in our earlier limited review reports / independent audit reports.

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, application/ in-principle approval for OTS of the loan dues where applicable [also refer para (b) in Emphasis of matter paragraph below], management's action to mitigate the impact of COVID-19 as described in note 11 of the Statement, fair value of the assets of Holding Company are significantly higher than the borrowing/debts and that the Holding Company is exploring possibilities to divest / liquidate some of its properties. In view of the above and in the opinion of management, the consolidated financial 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 earlier limited review reports and independent audit reports. Our conclusion / 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, pertaining to the period from 1st November, 2014 to 31st March, 2022. The Company has accounted for the liability amounting to Rs. 1,665.64 lakhs; Further, during the earlier year, 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 the dispute will be resolved
- (b) Attention is invited to note 4(a) of the Statement which state that in respect of most of the loans (other than bank), there are non-payment of stipulated instalments comprising of principal and interest due to the lenders. The cumulative unpaid instalments due amount to Rs. 24,718.00 lakhs (this includes instalments of Rs. 3,028.00 lakhs which was due in the quarter ended 31st March 2022). Continuing regular discussions with the lenders, during the quarter, the Holding company has applied for One Time Settlement (seeking partial relief in settlement amount) in the nature of cash payment or partially in cash and partially by converting debt into equity as narrated below:



## N. A. SHAH ASSOCIATES LLP

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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)

- i) During the quarter ended 30th September 2021, one of the lenders had reminded about the outstanding amount payable, to which the holding company replied stating its inability to make payments on account of severe impact on the business caused by COVID-19 pandemic as well Government restrictions imposed through various notifications and had further requested for extension upto 30th June 2022. During the current quarter, the holding company submitted application for One Time Settlement (OTS) to the lender, and the lender response thereon is awaited.
- ii) During the current quarter, the holding company received guarantee revocation notice from one lender. However, subsequent to 31<sup>st</sup> March 2022, holding company's OTS application was approved in principle by the said lender and the holding company has deposited upfront amount after the close of financial year as per the terms of the said settlement.
- iii) The holding company submitted applications for OTS during the current quarter to two lenders, who have communicated in principle approval for OTS and the holding company has deposited the upfront amount with one lender after the close of the financial year as per the terms of the said settlement.
- iv) Approval is also awaited in respect of application for OTS made by the holding company in respect of remaining another lender.

The accounting impact of OTS by way of changes in liabilities (including derecognition, if any) and classification changes will be given effect upon execution of OTS arrangement.

Further, based on all the above arrangements and discussions with the lenders and COVID 19 related notifications, management is of the view that reporting for event of default is not warranted.

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 as at 31<sup>st</sup> March, 2022 (SEBI circular dated 21<sup>st</sup> November 2019).

- (c) 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.
- (d) Attention is invited to note 6(iv) of the Statement in respect of payment of unsecured advance by the subsidiary company (OHPPL) of Rs. 600 lakhs to Joint Developer for cost to be incurred in respect of joint development agreement entered in September 2019 to develop and commercially exploit certain properties over the land on which the OHPPL holds leasehold rights. As per the terms agreed between the joint developer and the subsidiary company, the said amount would be utilised for obtaining / seeking the necessary approvals for the development of above-mentioned property. The Company has appointed a licensed architect to design, prepare plans and make the necessary applications for regulatory approvals. As on 31st March, 2022, the joint developer has confirmed that no significant expense has been incurred out of the advance received.

In respect of matter covered in (a), (b), (c) & (d) above, attention was also drawn by us in our earlier limited review reports and independent audit reports. Our conclusion / 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 annual consolidated 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



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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 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 responsibility is to express an opinion on the statement based on our audit of such annual consolidated financial statements. 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



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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)

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.
- 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. 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.

## Other matters

The Statement includes the results for the quarter ended 31<sup>st</sup> March 2022 being the derived figures between the audited figures in respect of the full financial year ended 31<sup>st</sup> March 2022 and the unaudited year-to-date published figures up to 31<sup>st</sup> December 2021, 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 matter.

## For N. A. Shah Associates LLP

Chartered Accountants

Firm's registration number: 116560W / W100149



**Sandeep Shah**

Partner

Membership number: 037381

UDIN: 22037381AJFQBY1566

Place: Mumbai

Date: 19<sup>th</sup> May 2022

**Kamat Hotels (India) Limited**

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CIN: L55101MH1986PLC039307, Tel. No. 022 26164000

Website: www.khil.com, Email:cs@khil.com

**Statement of consolidated financial results for the quarter and year ended 31st March, 2022**

(Rs. In lakhs except earnings per share)

Sr. No.	Particulars	Quarter ended	Quarter ended	Quarter ended	Year ended	Year ended
		31st March 2022	31st Dec 2021	31st March 2021	31st March 2022	31st March 2021
		Unaudited [Refer note 16]	Unaudited	Unaudited [Refer note 16]	Audited	Audited
1	<b>Income</b>					
	(a) Revenue from operations (Refer note 9)	4,620.01	5,137.59	2,915.61	14,448.84	6,599.35
	(b) Other income	35.55	31.90	54.58	114.11	150.04
	<b>Total income</b>	<b>4,655.56</b>	<b>5,169.49</b>	<b>2,970.19</b>	<b>14,562.95</b>	<b>6,749.39</b>
2	<b>Expenses</b>					
	(a) Consumption of food and beverages	436.95	578.87	330.77	1,493.51	670.82
	(b) Employee benefits expense (Refer note 14)	1,032.82	892.23	597.91	3,138.13	1,533.10
	(c) Finance cost	1,333.57	1,246.13	1,092.97	5,045.19	4,177.85
	(d) Depreciation and amortisation expense	418.72	426.44	428.61	1,702.16	1,754.41
	(e) Other expenses					
	(i) Heat, light and power	303.40	353.09	248.80	1,165.43	702.48
	(ii) Others	1,515.89	1,584.58	959.39	4,984.02	2,807.59
	<b>Total expenses</b>	<b>5,041.35</b>	<b>5,081.34</b>	<b>3,658.45</b>	<b>17,528.44</b>	<b>11,646.25</b>
3	<b>(Loss) / profit before share of (loss) of joint venture, exceptional items &amp; tax [1-2]</b>	<b>(385.79)</b>	<b>88.15</b>	<b>(688.26)</b>	<b>(2,965.49)</b>	<b>(4,896.86)</b>
4	Share of (loss) from joint venture accounted for using equity method (Refer note 15)	-	(0.99)	(2.93)	(41.33)	(67.18)
5	<b>(Loss) / profit before exceptional items and tax [3+4]</b>	<b>(385.79)</b>	<b>87.16</b>	<b>(691.19)</b>	<b>(3,006.82)</b>	<b>(4,964.04)</b>
6	Exceptional items - income - net (Refer note 10)	-	-	-	-	373.17
7	<b>(Loss) / profit for the period / year before tax [5+6]</b>	<b>(385.79)</b>	<b>87.16</b>	<b>(691.19)</b>	<b>(3,006.82)</b>	<b>(4,590.87)</b>
8	<b>Tax expense</b>					
	Current tax (Refer note 12)	0.15	0.11	(0.02)	0.49	-
	Deferred tax - (credit) for current period / year (net) (Refer note 12)	(109.19)	(39.53)	(141.93)	(740.86)	(950.63)
	(Excess) / short provision for current tax / deferred tax (net)	(0.50)	1.23	-	0.73	(10.85)
	<b>Total tax expenses</b>	<b>(109.54)</b>	<b>(38.19)</b>	<b>(141.95)</b>	<b>(739.64)</b>	<b>(961.48)</b>
9	<b>(Loss) / profit for the period / year [7-8]</b>	<b>(276.25)</b>	<b>125.35</b>	<b>(549.24)</b>	<b>(2,267.18)</b>	<b>(3,629.39)</b>
10	<b>Other comprehensive income</b>					
	Items that will not be reclassified to profit or loss					
	(i) Remeasurement of defined benefit plans - gain	14.64	-	56.94	31.39	65.34
	(ii) Income taxes effect on above	(3.42)	-	(8.97)	(6.29)	(11.49)
	<b>Total other comprehensive income</b>	<b>11.22</b>	<b>-</b>	<b>47.97</b>	<b>25.10</b>	<b>53.85</b>
11	<b>Total comprehensive income for the period / year [9+10]</b>	<b>(265.03)</b>	<b>125.35</b>	<b>(501.27)</b>	<b>(2,242.08)</b>	<b>(3,575.54)</b>





**Kamat Hotels (India) Limited**

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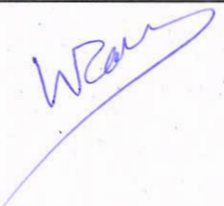
CIN: L55101MH1986PLC039307, Tel. No. 022 26164000

Website: www.khil.com, Email:cs@khil.com

**Statement of consolidated financial results for the quarter and year ended 31st March, 2022****(Rs. In lakhs except earnings per share)**

Sr. No.	Particulars	Quarter ended	Quarter ended	Quarter ended	Year ended	Year ended
		31st March 2022	31st Dec 2021	31st March 2021	31st March 2022	31st March 2021
		Unaudited	Unaudited	Unaudited	Audited	Audited
12	<b>Total comprehensive income for the period / year attributable to:</b>					
	(a) To owner of parent	(265.03)	125.35	(501.27)	(2,242.08)	(3,575.54)
	(b) To non controlling interest	-	-	-	-	-
13	<b>Out of total comprehensive income for the period / year:</b>					
	<b>(Loss) / profit for the period / year attributable to:</b>					
	(a) To owner of parent	(276.25)	125.35	(549.24)	(2,267.18)	(3,629.39)
	(b) To non controlling interest	-	-	-	-	-
	<b>Other comprehensive income attributable to:</b>					
	(a) To owner of parent	11.22	-	47.97	25.10	53.85
	(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				(20,533.97)	(18,291.89)
16	Earnings per share (Face value per share of Rs. 10/- each)					
	(a) Basic (Rs.)	(1.17)	0.53	(2.33)	(9.61)	(15.39)
	(b) Diluted (Rs.)	(1.17)	0.53	(2.33)	(9.61)	(15.39)

See accompanying notes to financial results




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**Notes:**

- 1 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 19th May, 2022. The statutory auditors have carried out limited review of the consolidated financial results for the year ended 31st March, 2022.
  - 2 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').
  - 3 The consolidated financial results for the year ended 31st March, 2022, 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 Jadhavgadh 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).
- 4(a) In respect of holding company, as on 31st March, 2022, for most of the loans (other than bank), there are non-payment of stipulated instalments comprising of principal and interest due to the lenders. The cumulative unpaid instalments amounts to Rs. 24,718.00 lakhs (this includes instalments of Rs. 3,028.00 lakhs which was due in the quarter ended 31st March 2022). Continuing regular discussions with the lenders, during the quarter, the holding company has applied for One Time Settlement (seeking partial relief in settlement amount) in the nature of cash payment or partially in cash and partially by converting debt into equity as narrated below:
- (i) During the quarter ended 30th September 2021, one of the lender had reminded about the outstanding amount payable, to which the holding company replied stating its inability to make payments on account of severe impact on the business caused by COVID-19 pandemic as well Government restrictions imposed through various notifications and had further requested for extension upto 30th June 2022. During the current quarter, the holding company submitted application for One Time Settlement (OTS) to the lender, and the lender response thereon is awaited.
  - (ii) During the quarter, the holding company received guarantee revocation notice from one lender. However, subsequent to 31st March, 2022, holding company's OTS application was approved in principle by the said lender and the holding company has deposited upfront amount after the close of financial year as per the terms of the said settlement.
  - (iii) The holding company submitted applications for OTS during the current quarter to two lenders, who have communicated in principle approval for OTS and the holding company has deposited the upfront amount with one lender after the close of the financial year as per the terms of the said settlement.
  - (iv) Approval is also awaited in respect of application for OTS made by the holding company in respect of remaining another lender.
- The accounting impact of OTS by way of changes in liabilities (including derecognition, if any) and classification changes will be given effect upon execution of OTS arrangement.
- Further, based on all the above arrangements, discussions with the lenders and COVID-19 related notifications, management is of the view that reporting for event of default is not warranted. Loan balance confirmations from three lenders for balance instalment amounting to Rs. 26,336.29 lakhs are awaited.
- 4(b) As per 4(a) above and in continuation of the view taken in the earlier quarters, previous year, 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 2022 as required by SEBI circular dated 21st November, 2019.
- 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 year ended 31st March 2022 in line with their earlier limited review reports / independent audit reports since 31st March, 2020.



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- 5 As per the standalone financial results, the holding company's accumulated losses are in excess of its paid up capital and reserves as at 31st March 2022 and its current liabilities are significantly greater than the current assets as on 31st March, 2022 and 31st March, 2021. Further, in respect of most of the loans, there are non-payment of stipulated instalments comprising of principal and interest. In the opinion of the management, considering management's action to mitigate the impact of COVID-19 as described in note 11 of the consolidated financial results which is also demonstrated through positive earnings before interest, taxes and depreciation (EBITDA) for the year ended 31st March 2022 and for the year ended 31st March, 2021, application / in-principle approvals of OTS as stated in note 4(a) above, the future business prospects from prime hotel properties situated nearby domestic and international airports in Mumbai, the fact that the fair values of the assets of the holding company are significantly higher than the borrowings/debts and that the holding company has been exploring possibilities to divest/liquidate some of its properties, the standalone financial 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) Vide agreement dated 24th December 2018, International Asset Reconstruction Company Private Limited (IARC) purchased the loan from M/s Asset Reconstruction Company India Limited (ARCIL) [lender to whom loan was sold/assigned by ICICI Bank in earlier years] for an aggregate amount of Rs. 13,500.00 lakhs on cash basis which as per the legal advice received by the subsidiary company is not in compliance of the circulars / notifications issued by Reserve Bank of India. Even otherwise, the said sale could not be termed either as sale or assignment as there existed non-compliance of mandatory provisions of law in order to effectuate such transactions in compliance with the provisions of law. As per the books of the subsidiary company, total outstanding towards this loan is Rs. 18,833.99 lakhs (including interest liability accounted in books upto 30th September, 2013). The interest amount from 1st October, 2013 till 31st March 2022 has not been provided in books nor has the same been quantified. Non provision of interest is not in compliance with the accounting treatment as prescribed under Ind AS 23 Borrowing Cost. As per the legal opinion obtained by the subsidiary company and in accordance with the settlement arrangement between holding company, the subsidiary company and IARC, the liability shown in financial statement of the subsidiary company as well as loan to subsidiary and guarantees in the financial statement of the holding company (i.e. Guarantors) would get extinguished. Further, the holding company has agreed to transfer 100% equity shares of the subsidiary company to IARC for a consideration of Rs. 1/- and in turn thereof IARC shall release all the corporate and personal guarantees unconditionally. The other terms/conditions and obligation as agreed between the parties along with the extinguishment as mentioned above will be accounted when the definitive agreement is executed. IARC has replied to the subsidiary company, in principle agreeing to the terms of the settlement and also suggested that modalities for achieving this are being worked out. Accordingly as per the subsidiary company, no further liability is required to be accounted now. Further, the Company has filed a commercial suit before the District Court, Pune for performance of the obligations by IARC as narrated above, the outcome of which is pending. The statutory auditors have continued to comment on this matter in their report on the financial results for the quarter and year ended 31st March, 2022 in line with their earlier reports.
- (ii) The subsidiary company has incurred losses in the previous year, its net worth is fully eroded and also its current liabilities exceeds the current assets as on 31st March 2022. 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, considering provision for impairment of property, plant and equipment made in the earlier years and management's action to mitigate the impact of COVID-19 as described in note 11 and the fact that the Company has earned profits in the current year, in the opinion of the management, the financial results are prepared on going concern basis.
- (iii) In respect of dispute over lease rent levied by Director of Sports, the subsidiary company has accounted for the liability amounting to Rs. 1,665.64 lakhs for the period from 1st November, 2014 to 31st March, 2022; which is after making the part payment of Rs. 129.83 lakhs in the quarter ended 30th September 2020 and of Rs. 129.85 lakhs in the quarter ended 31st December, 2021. Further, during the earlier year, 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 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.



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(iv) In the quarter ended 31st March 2021, the subsidiary company had paid unsecured advance of Rs. 600.00 lakhs to Joint Developer for cost to be incurred in respect of joint development agreement entered in September 2019 to develop and commercially exploit certain properties over the land on which the subsidiary company holds leasehold rights. As per the terms agreed between the joint developer and the subsidiary company, the said amount would be utilised for obtaining / seeking the necessary approvals for the development of above-mentioned property. Further, as per the mutual understanding, if the joint developer is not able to obtain the requisite development approvals within reasonable time, the said amount subject to deduction for expense incurred by the joint developer would be refunded to the subsidiary company. The Company along with the Joint Developer has appointed a licensed architect to design, prepare plans and make the necessary applications for regulatory approvals. As on 31st March, 2022, the joint developer has confirmed that no significant expense has been incurred out of the advance received.

7 In respect of subsidiary company (MPPL),

The subsidiary company has incurred losses in the year ended 31st March 2022 and also in the previous year. Further, its accumulated losses are in excess of its paid up capital and reserves and its current liabilities are exceeding current assets. In the opinion of the management, the financial statements are prepared on going concern basis, considering (a) future prospectus of business from hotel property post expiry of operation and management agreement with holding company; (b) fair value of the underlying hotel property; (c) commitment from the holding company for financial support from time to time and (d) management's action to mitigate the impact of COVID-19 as described in note 11.

8 (i) In view of the note 5, 6(ii) and 7 and considering management's opinion, these consolidated financial results have also been prepared on a going concern basis. The statutory auditors have drawn attention of this matter in their report on the consolidated financial results for the quarter and year ended 31st March 2022 in line with their earlier limited review reports / independent audit reports since 31st March, 2020.

(ii) in respect of matter covered in note 6(iii), the statutory auditors have reported emphasis of matter in their report on the financial results for the quarter and year ended 31st March 2022 in line with their earlier limited review reports / independent audit report since 31st March, 2020.

(iii) In respect of matter covered in note 6(iv), The statutory auditors have reported emphasis of matter in their report on the financial results for the quarter and year ended 31st March 2022 in line with their earlier limited review reports / independent audit report since 31st March, 2021.

9 Revenue from Operations for the year ended 31st March, 2021 includes Rs. 150.94 lakhs being grant of indirect taxes refund accrued based on application made by the holding company during the year under Maharashtra Package Scheme of Incentives for a hotel unit.

10 In respect of holding company, exceptional item of Rs. 373.17 lakhs recognised in the previous year represents insurance claim received in respect of a hotel property of Holding company in Orissa which was affected due to "Cyclone Fani".

11 The business has been impacted during the year ended 31st March, 2022 on account of COVID-19. During the first quarter of the year, the Group's revenues were adversely impacted due to lock downs imposed in several states across the country to control second wave of COVID-19. The performance of the Group was also affected due to the travel restrictions caused by the third wave in January 2022. After withdrawal of restrictions followed by massive vaccinations, as the normalcy restored in rest of the period during the year, the Group witnessed positive recovery of demand and growth in business driven by increase in domestic and international leisure and business travel. In order to assess the impact of COVID-19, the Group has carried out impairment assessment for the carrying value of property, plant & equipment, right of use asset, intangible assets, trade receivables, inventories and other assets based on the internal and external information upto the date of approval of these financial results including potential impact of COVID-19. Based on such assessment, in the opinion of management no further provision is required to be made as the Group expects to recover the carrying amounts of all the assets. 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 will continue to monitor the future economic conditions and assess its impact on financial performance. The statutory auditors have reported emphasis of matter in their report on the financial results for the quarter and year ended 31st March, 2022 in line with their earlier limited review reports / independent audit reports since 31st March, 2020.



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- 12 Deferred tax asset has been created on losses incurred during the year, considering there is a deferred tax liability on net basis.
- 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, disclosure of segment wise information is not applicable.
- 14 The holding company had paid excess remuneration of Rs. 30.61 lakhs in the financial year ended 31st March, 2021 to its Executive Chairman and Managing Director (ECMD). Excess remuneration paid has been fully recovered as on 30th June, 2021. For the period commencing from 1st April 2021, in light of the adverse impact of the pandemic and seeing the current market condition of the industry and sector, no remuneration has been provided / paid to ECMD.
- 15 From the previous quarter, the share of losses of joint venture company (IDRL) which is accounted under equity method, was restricted to the extent of carrying amount of investment made by holding company in the joint venture and accordingly in the consolidated financials the recognition of losses in excess of the carrying amount of the investment in IDRL is discontinued and the investment is reflected at Nil value.
- 16 The consolidated figures for the quarter ended 31st March, 2022 and 31st March 2021 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 quarter ended 31st December, 2021 and 31st December 2020 respectively which were subjected to limited review.
- 17 Previous periods / year figures are regrouped and rearranged wherever necessary.



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**18 Consolidated statement of assets and liabilities as at 31st March, 2022**

Particulars	As at	As at
	31st March 2022	31st March 2021
	Audited	Audited
<b>Assets</b>		
<b>Non-current assets</b>		
(a) Property, plant and equipment	31,702.71	32,343.28
(b) Capital work-in-progress	144.50	628.04
(c) Right of use assets	2,069.17	2,120.06
(d) Investment property	992.56	1,016.28
(e) Other intangible assets	78.67	88.45
(f) Financial assets		
(i) Investment accounted for using the equity method	-	41.33
(ii) Investments	17.72	19.66
(iii) Other financial assets	2,234.16	2,107.52
(g) Income tax assets (net)	1,217.30	1,132.95
(h) Other non-current assets	3,997.43	4,114.71
<b>Sub- total</b>	<b>42,454.22</b>	<b>43,612.28</b>
<b>Current assets</b>		
(a) Inventories	218.02	187.08
(b) Financial assets		
(i) Investments	6.61	5.28
(ii) Trade receivables	986.29	567.54
(iii) Cash and bank balances		
- Cash and cash equivalents	2,253.86	1,346.85
- Other bank balances	96.16	103.78
(iv) Loans	0.04	58.75
(v) Other financial assets	57.72	42.81
(c) Other current assets	614.93	542.56
<b>Sub- total</b>	<b>4,233.63</b>	<b>2,854.65</b>
<b>Total Assets</b>	<b>46,687.85</b>	<b>46,466.93</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
(a) Equity share capital	2,417.26	2,417.26
(b) Other equity	(20,533.97)	(18,291.89)
<b>Sub- total</b>	<b>(18,116.71)</b>	<b>(15,874.63)</b>
<b>Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	3,972.76	6,419.49
(ii) Lease liabilities	1,722.91	1,697.05
(iii) Other financial liabilities	97.20	107.96
(b) Provisions	445.86	446.91
(c) Deferred tax liabilities (net)	766.12	1,499.90
(d) Other non current liabilities	304.37	378.84
<b>Sub- total</b>	<b>7,309.22</b>	<b>10,550.15</b>
<b>Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	40,124.89	38,637.40
(ii) Lease liabilities	173.43	197.58
(iii) Trade payables		
- Amount due to micro and small enterprises	178.58	365.59
- Amount due to other than micro and small enterprises	1,997.98	1,952.40
(b) Other financial liabilities	12,829.50	8,956.45
(c) Provisions	112.81	107.56
(d) Other current liabilities	2,078.15	1,574.43
<b>Sub- total</b>	<b>57,495.34</b>	<b>51,791.41</b>
<b>Total equity and liabilities</b>	<b>46,687.85</b>	<b>46,466.93</b>



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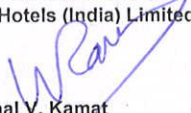
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**19 Consolidated statement of cash flows for the year ended 31st March, 2022**

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
	Audited	Audited
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Loss) before taxes and other comprehensive income	(3,006.82)	(4,590.87)
<b>Adjustments for:</b>		
Finance cost	5,045.18	4,177.85
Interest income	(61.51)	(68.47)
Depreciation and amortization expense	1,702.16	1,754.42
Liabilities and provisions written back	(105.94)	(80.80)
Bad debts written off	-	8.65
Provision for expected credit loss and doubtful debts / advances	124.69	86.91
Loss on account of cyclone	-	5.97
Loss / (gain) on sale / discard of property, plant and equipments	3.88	(25.37)
Share in loss of joint venture (accounted as per equity method)	41.33	67.18
Rent income	(41.00)	(44.09)
Insurance claim (exceptional item)	-	(373.17)
Provision for doubtful import benefits - SEIS	-	-
Gain / (loss) on fair value of investments	0.61	(5.81)
<b>Operating profit before working capital changes</b>	<b>3,702.58</b>	<b>912.40</b>
Movements in working capital : [Including Current and Non-current]		
(Increase) / decrease in loans, trade receivable and other assets	(452.31)	375.42
(Increase) / decrease in inventories	(30.94)	127.09
Increase / (decrease) in trade payable, other liabilities and provisions	(64.16)	(1,528.02)
Adjustment for:		
Direct taxes (paid) (including tax deducted at source) / refund (net)	(86.65)	214.22
<b>Net cash generated/ (used in) from operating activities...(A)</b>	<b>3,068.52</b>	<b>101.11</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment (Including capital work in progress and capital advances)	(585.56)	(751.24)
Sale of property, plant and equipment	4.10	43.23
Insurance claim received	-	182.20
Movement in long term loans and advances	(30.00)	(30.00)
Repayment received of loans and advances given	30.00	30.00
Rent income received	48.85	44.09
Interest income	45.96	69.72
(Increase) / decrease in bank balance [Current and non-current] (other than cash and cash equivalent)	3.88	5.18
Adjustment for:		
Direct taxes (paid including tax deducted at source)	(5.32)	(4.96)
<b>Net cash (used in) / from investing activities... (B)</b>	<b>(488.09)</b>	<b>(411.78)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long term borrowings	508.86	1,021.02
Repayment of long term borrowings	(1,478.72)	(255.28)
Interest paid (Including other borrowing cost)	(529.48)	(148.57)
Payments of lease liabilities	(174.08)	(154.48)
<b>Net cash (used in) / from financing activities... (C)</b>	<b>(1,673.42)</b>	<b>462.69</b>
<b>Net increase in cash and cash equivalents (A+ B+C)</b>	<b>907.01</b>	<b>152.02</b>
Cash and cash equivalents at beginning of the year (net of book)	1,346.85	1,194.83
Cash and cash equivalents at end of the year	2,253.86	1,346.85
<b>Net increase in cash and cash equivalents</b>	<b>907.01</b>	<b>152.02</b>

SIGNED FOR IDENTIFICATION BY  
  
 N. A. SHAH ASSOCIATES LLP  
 MUMBAI

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

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

Place: Mumbai  
 Date: 19th May, 2022



# “Asia’s Pioneering Hospitality Chain of Environmentally Sensitive 5 Star Hotels & Resorts”

## Annexure-1

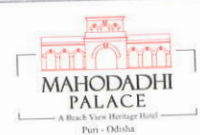
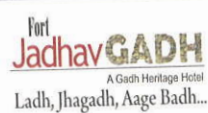
### Statement of Impact of Audit Qualifications for the financial year ended March 31, 2022

[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	14,562.95	14562.95
	2.	Total Expenditure(including exceptional items and taxes)	16,747.47	Refer note II (e) (i) below.
	3.	Net Profit/ (Loss) [before other Comprehensive Income]	(2,267.18)	Refer note II (e) (i) below
	4.	Earnings per share	(9.61)	Refer note II (e) (i) below.
	5.	Total Assets	46,687.85	46,687.85
	6.	Total Liabilities	64,804.56	Refer note II (e) (i) below
	7.	Net Worth	(18,116.71)	Refer note II (e) (i) below.
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-
II.	Audit Qualification (Each audit Qualification Separately): In respect of a consolidated financial results/consolidated financial statement.			
	a. Details of Audit Qualification:			
	<p>“With respect to one of the subsidiaries (Orchid Hotels Pune Private Limited) reference is invited to note 36.1(a) of notes to the consolidated financial statements (note 6(i) of the consolidated financial results). International Asset Reconstruction Company Private Limited (IARC) acquired the loan from M/s Asset Reconstruction Company India Limited (ARCIL) [lender to whom loan was assigned by ICICI Bank in earlier years] for an aggregate amount of Rs. 13,500.00 lakhs. As per the books of the subsidiary company, total outstanding towards this loan is Rs. 18,833.99 lakhs (including interest liability accounted in books upto 30th September, 2013). The interest amount from 1st October, 2013 till 31st March, 2022 has not been provided in the books nor has the same been quantified. Non-provision of interest is not in compliance with the accounting treatment as prescribed under Ind AS 23 Borrowing Cost. As per the legal opinion obtained by the management, no further liability is required to be accounted now considering the terms of settlement and pending execution of the definitive agreement (the modalities of which are being worked out). Further, the Company has filed a commercial suit before the District Court, Pune for performance of the obligations by IARC narrated above, the outcome of which is pending.</p>			

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## “Asia’s Pioneering Hospitality Chain of Environmentally Sensitive 5 Star Hotels & Resorts”

Had the provision been made, borrowing cost and loss for the current year and previous year and negative net worth as at 31st March, 2022 would increase by the amount of interest for the period 1st October, 2013 to 31st March, 2022 which has not been provided nor quantified by the management in view of reasons as mentioned above.

Further, qualified opinion was also given in our independent audit report for the financial year 2017-18, 2018-19, 2019-20 and 2020-21.”

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 4 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:

ARCIL reassigned the loan portfolio to IARC for an aggregate amount of Rs. 13,500 lakhs in earlier year. 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. As per the legal opinion obtained by the subsidiary company and in accordance with the settlement arrangement between holding company, the subsidiary company and IARC, the liability shown in financial statement of the subsidiary company as well as loan to subsidiary and guarantees in the financial statement of the holding company (i.e. Guarantors) would get extinguished. Further, the holding company has agreed to transfer 100% equity shares of the subsidiary company to IARC for a consideration of Rs. 1/- and in turn thereof IARC shall release all the corporate and personal guarantees unconditionally. The other terms/conditions and obligation as agreed between the parties along with the extinguishment as mentioned above will be accounted when the definitive agreement is executed. IARC has replied to the subsidiary company, in principle agreeing to the terms of the settlement and also suggested that modalities for achieving this are being worked out. Accordingly, as per the management, no further liability is required to be accounted now. Further, the Company has filed a commercial suit before the District Court, Pune for performance of the obligations by IARC narrated above, the outcome of which is pending.

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


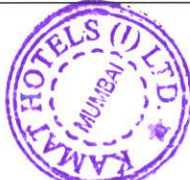




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## “Asia’s Pioneering Hospitality Chain of Environmentally Sensitive 5 Star Hotels & Resorts”

III.	Signatories:	
	<ul style="list-style-type: none"> <li>CEO/ Managing Director</li> </ul>	<p style="text-align: right;"><i>W Kamat</i></p> <p style="text-align: center;">Dr. Vithal V. Kamat</p> 
	<ul style="list-style-type: none"> <li>CFO</li> </ul>	<p style="text-align: center;">Ms. Smita Nanda</p> 
	<ul style="list-style-type: none"> <li>Chairman of the Audit Committee</li> </ul>	<p style="text-align: center;">Mr. Ramnath P. Sarang</p> 
	<ul style="list-style-type: none"> <li>Statutory Auditor</li> </ul>	<p style="text-align: center;">For N.A. Shah &amp; Associates LLP Chartered Accountants (FRN: 116560W/W100149)</p> <p style="text-align: center;"><i>msy</i></p> <p style="text-align: center;">Mr. Sandeep Shah Partner Membership No. 37381</p> 
Place: Mumbai		
Date: 19 <sup>th</sup> May, 2022		

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