7th September, 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 Sir/Madam,

This is to inform you that the 33rd Annual General Meeting of the members of the Company is scheduled to be held on Tuesday, 29th September, 2020 at 11.00 a.m. through "Video Conferencing (VC) or Other Audio Visual Means (OAVM)

Also inform you that the Register of Members and the Share Transfer Books in respect of Equity Shares of the Company shall remain closed from Tuesday 22nd September, 20209 to Tuesday, 29th September, 2020 (both days inclusive) for the purpose of 33rd Annual General Meeting Annual General Meeting of the Company.

Please find attached herewith Annual Report of the Company for the year ended 31st March, 2020 for your record.

Kindly acknowledge the receipt of the same.

Thanking you,

Yours faithfully,
For Kamat Hotels (India) Limited

Ms. Shruti Shrivastav
Company Secretary & Compliance Officer
Encl. a/a.

KAMAT HOTELS (INDIA) LIMITED

Fort Jadhavgadh

The Kamat Group

Continues to grow through its warm and friendly hospitality while keeping its ethos of Eco-Friendly initiative.

ANNUAL REPORT 2019-20

Orchid Mumbai

INDIA'S PIONEER HOSPITALITY CHAIN OF ENVIRONMENTALLY SENSITIVE HOTELS & RESORTS

One Green Nation, One Green Family

Lotus Murud
Actual View From Hotel

KAMAT HOTELS (INDIA) LIMITED

THE ORCHID
FIVE STAR ECOTEL HOTEL
FRIENDLY. ECO-FRIENDLY
MUMBAI | PUNE

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

MAHODADHI PALACE
PURI - ODISHA

LOTUS RESORTS
KONARK - ODISHA, GOA - BENAULIM
MURUD - DAPOLI

KAMAT HOTELS (INDIA) LIMITED

KAMAT HOTELS (INDIA) LIMITED

BOARD OF DIRECTORS

Dr. Vithal V. Kamat
Executive Chairman and Managing Director

Mr. Bipinchandra C. Kamdar
Non Executive Director

Mr. Dinkar D. Jadhav
Independent Director

Mr. Ramnath P. Sarang
Independent Director

Ms. Himali H. Mehta
Independent Director
(Resigned 18th February, 2020)

Mrs.Harinder Pal Kaur
Additional Non Executive Independent Director
(Appointed w.e.f 15th May, 2020)

Mr. Sanjeev Badriprasad Rajgarhia
Additional Non Executive non Independent Director
(Appointed w.e.f 28th August, 2020)

Ms. Smita Nanda
Chief Financial Officer

Mr. Shailesh Bhaskar
Company Secretary & Compliance Officer
(Resigned w.e.f. 10th June, 2020)

Ms. Shruti Shrivastav
Company Secretary & Compliance Officer
(Appointed w.e.f . 30th July, 2020)

BANKERS
Canara Bank
Andhra Bank
State Bank of India
Axis Bank
Oriental Bank of Commerce
Kotak Mahindra Bank

REGISTERED OFFICE
70-C, Nehru Road, Near Santacruz Airport,
Vile Parle (East), Mumbai – 400 099,
Maharashtra, India.
Email : cs@khil.com Website : www.khil.com
Tel No. 022 2616 4000

REGISTRARS AND SHARE TRANSFER AGENTS
Link Intime India Private Limited
C-101, 247 Park,
L.B. S. Marg, Vikhroli (West),
Mumbai – 400 083.
Email : rnt.helpdesk@linkintime.co.in
Website : www.linkintime.co.in
Tel No.022 49186270 Fax No. 022 49186060

CONTENTS

KAMAT HOTELS (INDIA) LIMITED

CIN: L55101MH1986PLC039307
Regd. Office : 70-C, Nehru Road, Near Santacruz Airport, Vile Parle (East), Mumbai -400 099.
Tel. No. 022 26164000, Website: www.khil.com, Email: cs@khil.com

NOTICE

Notice is hereby given that the Thirty Third Annual General Meeting of the members of **Kamat Hotels (India) Limited** will be held on Tuesday, 29th September, 2020 at 11.00 a.m. through"Video Conferencing (VC) or Other Audio Visual Means (OAVM) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (Standalone & Consolidated) of the Company for the financial year ended on 31st March, 2020 and Reports of the Board and Auditors thereon.

SPECIAL BUSINESS:

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

   "**RESOLVED THAT** Mr. Bipinchandra C. Kamdar (DIN: 01972386), a Director liable to retire by rotation, who does not offer himself for re-appointment, be not reappointed as a Director of the Company and the vacancy, so caused on the Board of the Company, be not filled up."

3. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Ordinary Resolution:

   "RESOLVED THAT Mrs. Harinder Pal Kaur (DIN 02306410) who was appointed by the Board of Directors as an Additional Director of the Company with effect from 15th May 2020 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 ("Act") who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing her candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company."

   RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015 ("SEBI Listing Regulations"), as amended from time to time, the appointment of Mrs. Harinder Pal Kaur who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing from the date of her appointment i.e. 15th May, 2020 till 14th May, 2025 be and is hereby approved.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to take such steps as may be necessary, expedient or desirable to give effect to this resolution".

4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Ordinary Resolution:

   "**RESOLVED THAT** pursuant to Section 152 and any other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force), the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association of the Company, Mr. Sanjeev Badriprasad Rajgarhia (DIN: 07857384), who was appointed as an Additional Director of the Company with effect from 28th August, 2020 by the Board of Directors under Section 161 of the Companies Act, 2013 and who holds office as such upto the date of 33rd Annual General Meeting and in respect of whom a notice in writing along with requisite deposit under Section 160 of the Companies Act, 2013 has been received by the Company from a member proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company whose term shall be liable to retire by rotation.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary, expedient or desirable to give effect to this resolution."

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary, expedient or desirable to give effect to this resolution."

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

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

Place: Mumbai
Date: 28th August, 2020

Shruti Shrivastav
Company Secretary

NOTES:

1. In view of the global outbreak of the Covid-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its General Circular No. 20/2020 dated May 5, 2020 in relation to 'Clarification on holding of Annual General Meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)' read with General Circular No. 14/ 2020 dated April 8, 2020 and the General Circular No. 17/2020 dated April 13, 2020 in relation to 'Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made there under on account of the threat posed by Covid-19' (collectively referred to as 'MCA Circulars') and SEBI vide its circular dated May 12, 2020 in relation to 'Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 – Covid-19 pandemic' ('SEBI Circular') permitted the holding of the Annual General Meeting ('AGM') through VC / OAVM, without the physical presence of the Members at a common venue. Incompliance with the provisions of the Companies Act, 2013 ('Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015('SEBI Listing Regulations') and MCA Circulars, the AGM of the Company is being held through VC / OAVM on Tuesday, 29th September, 2020 at 11.00 a.m. (IST).

2. As per the provisions of Clause 3.A.II. of the General Circular No. 20/2020 dated May 5, 2020, the matters of Special Business as appearing at Item Nos. 3 to 5 of the accompanying Notice, are considered to be unavoidable by the Board and hence, forming part of this Notice.

3. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item Nos. 3 and 4 of the Notice, is annexed hereto. The relevant details, pursuant to Regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this Annual General Meeting ("AGM") are also annexed.

4. Pursuant to the provisions of the act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need notbe a member of the company. since this AGMIS being held pursuant to the MCA circulars through VC or OAVM, the requirement of physical attendance of members has been dispensed with. accordingly, in terms of the MCA circulars and the SEBI circular,the facility for appointment of proxies by the members will not be available for this AGM and hence the proxy form, attendance slip and route map of AGM are not annexed to this notice.

5. Institutional Investors, who are Members of the Company, are encouraged to attend and vote at the 33rdAGM through VC/OAVM facility. Corporate Members intending to appoint their authorized representatives pursuant to Sections 112 and 113 of the Act, as the case maybe, to attend the AGM through VC or OAVM or to vote through remote e-Voting are requested to send a certified copy of the Board Resolution to the Scrutinizer bye-mail at vvchakra@gmail.com to evoting@nsdl.co.in

6. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will been titled to vote at the AGM.

7. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

8. The Members can join the AGM in the VC/OAVM mode 30 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The Members will be able to view the proceedings on National Securities Depository Limited's ('NSDL')e-Voting website at www.evoting.nsdl.com. The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 Members on a first come first served basis as per the MCA Circulars.

9. In line with the MCA Circular dated May 5, 2020 and SEBI Circular dated May 12, 2020, the Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories. The Notice convening the 33rdAGM has been uploaded on the website of the Company at www.khil.com and may also be accessed from the relevant section of the websites of the Stock Exchanges i.e. BSE Limited and the National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also available on the website of NSDL at www.evoting.nsdl.com.

10. The Register of Members and Share Transfer Books will remain closed from Tuesday, 22nd September, 2020 to Tuesday 29th September, 2020 (both days inclusive) for the purpose of AGM..

11. The remote e-voting period commences on Saturday, 26th September, 2020 (9:00 a.m. IST) and ends on Monday, 28th September, 2020 (5:00 p.m. IST). During this period, members' holding shares either in physical or dematerialized form, as on the cut-off date, i.e. Monday, 21st September, 2020 may cast their vote electronically. The e-voting module will be disabled by NSDL for voting thereafter. A member will not be allowed to vote again on any resolution for which the vote has already been cast. The voting rights of members shall be proportionate to their share of the paid-up equity share capital of the Company as on the cut-off date, i.e. 28th August, 2020 E-voting rights cannot be exercised by a proxy, though corporate and institutional shareholders shall be entitled to vote through their authorized representatives with proof of their authorization.

12. The Scrutinizer will submit his report to the Chairman or to any other person authorized by the Chairman after the completion of the scrutiny of the e-Voting (votes cast during the AGM and votes casted through remote e-Voting), not later than 48 hours from the conclusion of the AGM. The result declared along with the Scrutinizer's report shall be communicated to the stock exchanges on which the Company's shares are listed, NSDL, and RTA and will also be displayed on the Company's website at www.khil.com

13. Additional information, pursuant to Regulation 36 of the Listing Regulations, in respect of the directors seeking appointment / reappointment at the AGM, forms part of the Notice.

14. The SEBI has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant(s). Members holding shares in physical form are required to submit their PAN details to the Registrar and Share Transfer Agents.
15. All documents referred to in the Notice will be available for inspection at the Company's registered office during normal business hours onworking days up to the date of the AGM.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

1. Your User ID details are given below :

   Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical

   Your User ID is:

   a) For Members who hold shares in demat account with NSDL.

      8 Character DP ID followed by 8 Digit Client ID

      For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.

   b) For Members who hold shares in demat account with CDSL.

      16 Digit Beneficiary ID

      For example if your Beneficiary ID is 12************** then your user ID is 12**************

   c) For Members holding shares in Physical Form.

      EVEN Number followed by Folio Number registered with the company

      For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

2. Your password details are given below:

   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

3. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

   Click on "**Forgot User Details/Password**?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

   Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

4. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
5. Now, you will have to click on "Login" button.
6. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to vvchakra@gmail.comwith a copy marked to evoting@nsdl.co.in.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to NSDL Official at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice :

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company email id cs@khil.com.

   In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company email id cs@khil.com.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THEAGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the GM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

KAMAT HOTELS (INDIA) LIMITED

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGHVC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at https://www.evoting.nsdl.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (company email id). The same will be replied by the company suitably.

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

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

Place: Mumbai
Date: 28th August, 2020

Shruti Shrivastav
Company Secretary

ANNEXURE I TO THE NOTICE

EXPLANATORY STATEMENT SETTING OUT THE MATERIAL FACTS AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013.

ITEM No. 2:

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and in accordance with the Articles of Association of the Company, Mr. Bipinchandra C. Kamdar, Director of the Company retires by rotation at the ensuing Annual General Meeting. Mr. Bipinchandra C. Kamdar has expressed his unwillingness to the Company that he is not seeking re-appointment in view of his age and health**.**

Mr. Bipinchandra C. Kamdar, has been on the Board of the Company since 6th August, 2016. The Board places on record its sincere appreciation and recognition of the valuable contribution and services rendered by Mr. Bipinchandra C. Kamdar during his tenure as a Director on the Board of the Company. The Board proposes that the vacancy caused by his retirement be not filled-up.

Your Directors recommend the resolution to be passed as an Ordinary Resolution.

None of the Directors, Key Managerial Persons of the Company and / or their relatives are concerned or interested, financially or otherwise, in the said resolution except Mr. Bipinchandra C. Kamdar.

ITEM No. 3:

In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of an Independent Director requires approval of members. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has proposed that Mrs. Harinder Pal Kaur (DIN 02306410) be appointed as an Independent Directors on the Board of the Company.

The appointment of Mrs. Harinder Pal Kaur shall be effective upon approval by the members in the Meeting. The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mrs. Harinder Pal Kaur, for the office of Director of the Company. It is further clarified that Mrs. Harinder Pal Kaur is not disqualified from being appointed as a Directorin terms of Section 164 of the Act and has given her consent to act as a Director. The Company has received a declaration from Mrs. Harinder Pal Kaur that she meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In the opinion of the Board, Mrs. Harinder Pal Kaur, fulfils the conditions for her appointment as an Independent Director as specified in the Act and the Listing Regulations.

She is neither related to any director of the company nor has any shareholding in the Company. Further, she is not debarred from holding office of Director by virtue of SEBI or any such authority.

Mrs. Harinder Pal Kaur, is independent of the management and possesses appropriate skills, experience and knowledge. Details of Mrs. Harinder Pal Kaur is provided in the **Annexure II** to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

ITEM NO. 4:

Mr. Sanjeev Badriprasad Rajgarhia was appointed as an Additional Directors by the Board of Directors of the Company with effect from 28th August, 2020 pursuant to Section 161 of the Companies Act, 2013. As per Section 161 of the Companies Act, 2013, he holds the office of Director up to the date of the forthcoming 33rd Annual General Meeting is eligible for appointment. The Company has received a notice in writing along with requisite security deposit from a member proposing the candidature of Mr. Sanjeev Badriprasad Rajgarhia as a Director of the Company under the provisions of Section 160 of the Companies Act, 2013. Therefore, it is proposed to appoint Mr. Sanjeev Badriprasad Rajgarhia as Director of the Company whose term shall be liable to retire by rotation.

Mr. Sanjeev Badriprasad Rajgarhia is a B.Com (Mumbai University) Diploma in Pharmaceutical Business Management, Diploma in Shipping Management and Diploma in Patents Law & Intellectual Property Rights Laws. He is Engaged in Pharmaceuticals Active Ingredient Supply Business since 1983 with 37 yeras experience.

As per Section 152(4) of the Companies Act, 2013, Mr. Sanjeev Badriprasad Rajgarhia has furnished his Director Identification Number to the Company. The Company has also received declaration that he is not disqualified to become a Director under the Companies Act, 2013. The Nomination and Remuneration Committee has recommended to the Board, appointment of Mr. Sanjeev Badriprasad Rajgarhia as a Director of the Company. The brief resume of Mr. Sanjeev Badriprasad Rajgarhia and is provided in Annexure II to the notice. The Directors recommend the passing of the resolution set out at Item No. 4 of the accompanying Notice as an Ordinary Resolution. Except Mr. Sanjeev Badriprasad Rajgarhia there is no concern or interest, financial or otherwise of any director, key managerial personnel of the Company or their relatives in respect of the said resolution. Copy of draft letter of appointment of Mrs. Harinder Pal Kaur, Mr. Sanjeev Badriprasad Rajgarhia, setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 to 4 of the Notice. This statement may also be regarded as an appropriate disclosure under the Listing Regulations. The Board commends the Ordinary Resolution set out at Item No. 3 & 4 of the Notice for approval by the members.

DISCLOSURES:

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

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

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

Place: Mumbai
Date: 28th August, 2020

Shruti Shrivastav
Company Secretary

ANNEXURE II TO THE NOTICE DATED 28TH AUGUST, 2020

As required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a brief profile of the Directors seeking appointment/ re-appointment is as follows:

1. Name: **Mrs. Harinder Pal Kaur (**DIN 02306410) **Age- 59 years**

   Mrs. Harinder Pal Kaur has done her M.A (economics) from Mumbai university in the year 1985 years experience in coordinating hospitality projects for environmentally sustainable design & operational practices. She also teaches at college and university levels. She also practices in wholistic healing and wholistic Nutrition industry.

Remuneration last drawn (including sitting fees, if any) :	Remuneration :NIL Sitting Fees: NA
Date of first appointment on the Board:	15th May, 2020
Shareholding in Kamat Hotels (India) Ltd as on March 31, 2020	11600
Number of meetings of the Board attended during the financial year (2019-20):	NIL
Relationship with other Directors	No inter - relationship with other Directors
Directorships held in other Listed Companies:	NIL
Audit Committee Membership in other Listed Companies	NIL
Stakeholders Relationship Committee Membership in other Listed Companies	NIL

2. Name: **Mr. Sanjeev Badriprasad Rajgarhia (**DIN 07857384) **Age- 62 years**

   Mr. Sanjeev Badriprasad Rajgarhia is a B.Com Graduate he is engaged in Pharmaceuticals Active Ingredient Supply Business since 1983 with 37 years experience.

Remuneration last drawn (including sitting fees, if any) :	Remuneration :NIL Sitting Fees: NA
Date of first appointment on the Board:	NIL
Shareholding in Kamat Hotels (India) Ltd as on March 31, 2020	NIL
Number of meetings of the Board attended during the financial year (2019-20):	NIL
Relationship with other Directors	No inter - relationship with other Directors
Directorships held in other Listed Companies:	NIL
Audit Committee Membership in other Listed Companies	NIL
Stakeholders Relationship Committee Membership in other Listed Companies	NIL

BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the 33rd Annual Report together with the Audited Financial Statements (Standalone and Consolidated) of the Company for the financial year ended 31st March, 2020.

FINANCIAL SUMMARY:

The financial summary for the year under review is as below: (Rs. in lakhs)

Particulars	Standalone	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Total Income	**18,020.63**	**19,419.27**
Profit Before Interest, Depreciation &Taxation	5,712.31	6,881.33
Less: Interest and Finance Charges (net)	3,436.40	2,203.26
Less: Depreciation and Amortisation	1,051.70	1,095.82
Profit Before Exceptional Item and Tax	**1,224.21**	**3,582.25**
Add/(Less): Exceptional Item – Income / (expenses) (Net)	2,369.28	-
Profit Before Tax	**3,593.49**	**3,582.25**
Less: Current tax	297.75	99.87
Deferred Tax charge / (credit)	(273.85)	974.75
Profit After Tax	3,569.59	2,506.96
Other Comprehensive Income	9.50	4.56
Total Comprehensive Income	**3,579.09**	**2,511.52**
Basic & diluted earnings per share (in Rs.)	**15.14**	**10.63**

PERFORMANCE REVIEW:

The average occupancy of hotels of the Company i.e. 'The Orchid, Mumbai', was around 78% and'VITS Mumbai was around 74%. The Average Room Rate, during the year under review, was at Rs. 5,950 at The Orchid, Mumbai as compared to Rs. 6,108 in the previous year and at Rs. 4,477 at VITS, Mumbai as compared to Rs. 4,404 in the previous year.

ADOPTION OF IND AS:

The financial statements of Kamat Hotels (India) Limited, its subsidiaries and Joint Venture Company are prepared in accordance with the Indian Accounting Standards (referred to as 'Ind AS') prescribed under section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, as amended from time to time.

STANDALONE:

The total revenue from operations of the Company for the year was recorded at Rs. 17,930.64 lakhs (of which the turnover of Rs. 10,466.92 lakhs pertains to The Orchid, Mumbai, 3,560.10 lakhs pertains to VITS Mumbai and 3,903.62 lakhs pertains to other units) as against Rs. 19,239.08 lakhs in the previous year, a decrease of around 6.80% over the last year. The Company's profit after tax is Rs. 3,569.59 lakhs as compared to Rs. 2,506.96 lakhs of previous year.

MANAGEMENT/ FRANCHISEE / CONTRACTS/OTHERS:

During the year under review, the agreements entered for Management of The Orchid Hotel Pune and VITS Bhubaneswar continued. Also the arrangement under Business Contract Agreement for operation of Mahodadhi Palace Puri continued.

DIVIDEND:

In view of the prolonged lockdown and consequent travel restrictions to avoid spread of COVID-19 pandemic imposed by the Government of India as well other countries globally almost all business segments were severely impacted. In these unforeseen and uncertain times, it is difficult to predict when business conditions will normalise. Therefore, in order to conserve cash and ensure/liquidity for the operations for the Financial Year 2020-21, the Board of Directors decided not to recommend any dividend to the shareholders for the Financial Year 2019-20.

TRANSFER TO RESERVES:

The Board of Directors has decided to retain the entire amount of profit for Financial Year 2019-20 in the statement of profit and loss.

SHARE CAPITAL:

There was no change in the share capital of the Company during the year. As on 31st March, 2020, the Authorised Share Capital of the Company stands at Rs. 3,425 lakhs (excluding forfeited share capital) divided into 3,42,50,000 equity shares of Rs. 10/- each whereas the issued, subscribed and paid up capital stood at Rs. 2,358.41 lakhs divided into 2,35,84,058 equity shares of Rs. 10/- each.

MATERIAL CHANGES AND COMMITMENTS:

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and date of this report. There has been no change in the nature of business of the Company.

REPORT ON THE PERFORMANCE AND FINANCIAL POSITION OF EACH OF THE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURECOMPANIES IN TERMS OF RULE 8(1) OF COMPANIES (ACCOUNTS) RULES, 2014:

In accordance with the provisions of the Companies ("the Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Ind AS 110, the Audited Consolidated Financial Statement forms part of the Annual Report.

A copy of Audited Financial Statements of the Subsidiaries/Associates/Joint Ventures shall be made available for inspection at the Registered Office of the Company during business hours. Any shareholder interested in obtaining a copy of separate Financial Statement of the Subsidiaries/ Associates/Joint Ventures shall make specific request in writing to the Corporate Secretarial Department of the Company.

The Audited Financial Statements of the Subsidiaries/ Associates/Joint Ventures are also available on the website of the Company. In view of this,the Balance Sheet, Statement of Profit and Loss and other related documents of the Subsidiaries/ Associates/ Joint Ventures are not attached in this Annual Report. However, the statement containing the salient features which is required to be given in Form AOC -1 are provided in page no. 177 to the Consolidated Financial Statement of the Company, hence not repeated for the sake of brevity. As on 31st March, 2020 the Company had the following Subsidiaries and a Joint venture Company:

SUBSIDIARY COMPANIES:

1. Orchid Hotels Pune Private Limited (OHPPL)
2. Mahodadhi Palace Private Limited (MPPL)
3. Kamats Restaurants (India) Private Limited (KRIPL)
4. Fort Jadhavgadh Hotels Private Limited (FJHPL)
5. Orchid Hotels Eastern (I) Private Limited (OHEIPL)

JOINT VENTURE COMPANY:

Ilex Developers and Resorts Limited

During the year, the Company had not sold or liquidated any of its Subsidiaries / Associates /Joint Ventures and no Subsidiaries/Associates/ Joint Ventures became/ ceased to be Subsidiaries/Associates/Joint Ventures of the Company and all Subsidiaries/Associates/Joint Ventures are operative.

NOTE ON FINANCE OF SUBSIDIARY:

"The Subsidiary of the Company i.e. Orchid Hotels Pune Private Limited (OHPPL) had taken term loan facilities from a Bank. To guarantee the said loan facility, the Company had extended the Corporate Guarantee. The said loan account of the Subsidiary Company was declared as NPA in the year 2013. The Bank had assigned by an agreement its rights to an ARC. The Bank/ARC have approached DRT by filing an application against subsidiary company wherein the Company is also impleaded. Subsequently, the said loans facilities were sold by an agreement by the first ARC to another ARC on cash basis. Subsequent to the approval of the audited financial statements for the year ended 31st March, 2020, based on the legal opinion sought, the Directors are of the opinion that the invocation of Corporate Guarantee in any other court would be subject to the provisions of Limitation Act. The Opinion says that both the agreements viz., from bank to 1st ARC and 1st ARC to another ARC are bad in law. Further opinion says that, in the company and subsidiary's case, the selling of rights by an ARC to another 2nd ARC was against various Acts, guidelines including RBI and Stamp Act at the time of execution. In the Company's opinion, subject to the outcome of DRT proceedings, the claim against Company for its guarantee is expired by way of limitation.

Your Directors are of the opinion that the liability shown in the consolidated financial statement in the books of its subsidiary (OHPPL) are barred by limitations hence these liabilities are not confirmed by your Directors."

SECRETARIAL STANDARDS:

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

a. Appointment/Resignation from the Board of Directors:

   During the year under review, Mrs. Harinder Pal Kaur was appointed as a Non-Executive Independent Director (Additional Director) on the Board of the Company w.e.f. 15th May, 2020 based on the recommendation of Nomination and Remuneration Committee to hold office up to the ensuing Annual General Meeting of the Company. Accordingly approval of the Members is sought for regularization of Mrs. Harinder Pal Kaur as Independent Director of the Company for a term of 5 years.

   During the year under review, Mr. Sanjeev Badriprasad Rajgarhia was appointed as an Additional Director on the Board of the Company w.e.f. 28th August, 2020, the term of Mr. Sanjeev Badriprasad Rajgarhia as an Additional Director expires at the ensuing Annual General Meeting. Accordingly approval of the Members is sought for regularization of Mr. Sanjeev Badriprasad Rajgarhia as Director of the Company.

b. Directors retiring by rotation:

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Bipinchandra C. Kamdar (DIN 01972386), Director of the Company, retire by rotation, at the ensuing Annual General Meeting, Mr. Bipinchandra C. Kamdar owing to his health has expressed his unwillingness to re-appointment, the vacancy caused due to his retirement shall not be filled up.

c. Declaration by Independent Directors:

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

d. Woman Director:

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

During the year under review, Ms. Himali H. Mehta resigned from the post of independent director from the close of working hours of 18th February, 2020 due to her personal reasons.

The Board of Directors places on record the contribution made by her during her association with the company.

The Board appointed Mrs. Harinder Pal Kaur as Non-Executive Independent Director (Additional Director) on the Board of the Company w.e.f. 15th May, 2020 in compliance of section 149 and Regulation 17 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 respectively.

e. Executive Directors:

Dr. Vithal V. Kamat, Executive Chairman and Managing Director and Mr. Sanjeev Badriprasad Rajgarhia are the Executive Directors of the Company.

f. Key Management Personnel (KMP):

During the year under review, Shailesh Bhaskar resigned from the post of Company Secretary w.e.f. 10th June, 2020. Thereafter Ms. Shruti Shrivastav has been appointed as Company Secretary and Compliance Officer and Key Managerial Personnel of the Company w.e.f. 30th July, 2020.

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

FAMILIARISATION PROGRAMMES FOR INDEPENDENT DIRECTORS:

The Company constantly endeavors to familiarize its Independent Directors on the functioning of the Company, so that they are aware of the functions of the Company and their expertise can be utilized for the betterment of the Company. In this view the Company has conducted Familiarization Programmes to familiarize the Independent Directors of the Company. Details of the same are disclosed on the website of the Company and the web link of the same is http://www.khil.com/investors/policies.html.

EXTRACT OFANNUAL RETURN:

An extract of Annual Return in Form MGT-9 as provided under sub-section (3) of Section 92 of the Companies Act, 2013 is enclosed as"***Annexure A"*** forming part of this Annual Report.

NUMBER OF MEETINGS OF THE BOARD:

During the financial year under review, 4(four) meetings of the Board of Directors were held. The intervening gap between two Board meetings was not more than 120 days. The particulars of meetings held and attended by each Director are detailed in the Corporate Governance Report, which forms part of this Report.

DIRECTORS' RESPONSIBILITY STATEMENT:

Your Directors state that:

1. In the preparation of the annual accounts for the year ended 31st March 2020, the applicable accounting standards read with requirements set out under Schedule III to the Act have been followed and that there are no material departures from the same;

2. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2020 and of the profit of the Company for the financial year ended on that date;

3. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

4. The annual accounts have been prepared on a going concern basis;

5. The Directors have laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and are operating effectively; and

6. Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

NOMINATION AND REMUNERATION POLICY:

In terms of Section 178 (3) of the Companies Act, 2013, and Listing Regulations, a policy on Nomination and Remuneration of Directors and Senior Management Employees including, inter alia, criteria for determining qualifications, positive attributes, independence of directors and policy on Board diversity was formulated by the Nomination and Remuneration Committee and has been adopted by the Board of Directors. The said policy is enclosed as "***Annexure B***" to this Report. The said policy is also made available on the website of the Company www.khil.com and its web link is http://www.khil.com/investors/policies.html.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

Particulars of loans given, guarantees given, Investments made and securities provided by the Company under Section 186 of the Companies Act, 2013 are given as under:

(₹ In lakhs)

Particulars	Opening Balance	Movement During the year	Closing Balance
Loans Given	20,065.14	-	20,065.14
Guarantee Given/ Security Provided	21,786.94	-	21,786.94
Investment Made	20.27	2.85	23.13*

*Movement in the year represents Fair value adjustment

During the year under review, no new loans, guarantees or investments were made or provided by the Company

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTY:

In line with the requirements of the Companies Act, 2013 and Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is available on Company's website at www.khil.com/policies. The Policy intends to ensure that proper reporting; approval and disclosure processes are in place for all transactions between the Company and Related Parties. All transactions entered by the Company with Related Parties were in ordinary course of business and at arm's length basis.

The Audit Committee has granted omnibus approval for the transactions (which are repetitive in nature) and the same was reviewed by the Audit Committee and Board of Directors.

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

Suitable disclosure as required under Ind-AS-24 has been made in Notes to the Financial Statements.

STATEMENT OF ANNUAL PERFORMANCE EVALUATION OF BOARD, COMMITTEES AND DIRECTORS:

The Company has established the procedure for performance evaluation of the Board, Committees and other individual Directors (including Independent Directors) which include criteria for performance evaluation of Non-executive Directors and Executive Directors. The performance evaluation process inter-alia considers attendance of Directors at Board and Committee Meetings, acquaintance with business, communication inter se board members, effective participation, domain knowledge, and compliance with code of conduct, vision and strategy.

The Board carried out an annual performance evaluation of the Board, Committee, Individual Directors and the Chairperson. The Chairman of the respective Committees shared the report on evaluation with the respective Committee members. The performance of each Committee was evaluated by the Board, based on evaluation report received from respective Committees.

The report on performance evaluation of the individual Directors was reviewed by the Chairman of the Board and feedback was given to Directors.

MEETING OF INDEPENDENT DIRECTORS:

The Meeting of Independent Directors was conducted in an informal and flexible manner to enable the Independent Directors to discuss matters pertaining to inter alia review of performance of Non-Independent Directors and the Board as a whole, review the performance of the Executive Chairman of the Company (taking into account the views of the Executive and Non- Executive Directors), review the performance of the Company, assess the quality, quantity and timeliness of flow of information between the Company Management and the Board which is necessary for the Board to effectively and reasonably perform their duties.

The meeting of Independent Directors for the Financial Year under review was held on 27thMay, 2019.

The Chairman of the meeting of Independent Directors apprises the Chairman of the Company regarding the views/concerns, if any, of Independent Directors.

VIGIL MECHANISM:

The Company has established a Vigil Mechanism for Directors and employees to report genuine concerns. The Vigil Mechanism enable the Directors, employees and all stakeholders of the Company to report genuine concerns and provides for adequate safeguards against victimization of person who use Vigil Mechanism and also makes provision for direct access to the Chairman of the Audit Committee. The functioning of the Vigil mechanism is reviewed by the Audit Committee from time to time.

None of the whistle blowers have been denied access to the Audit Committee of the Board. The detail of Vigil Mechanism is put on the Company's website and can be accessed at www.khil.com and its web link is http://www.khil.com/investors/policies.html.

AUDIT COMMITTEE:

The composition of the Audit Committee as required to be disclosed under Section 177(8) of the Companies Act, 2013 is given in Corporate Governance report which forms part of this Annual Report. During the year under review, all the recommendations made by the Audit Committee were accepted by the Board.

RISK MANAGEMENT:

Your Company has a well defined Risk Management framework, which is designed to enable risk to be identified, assessed and mitigated appropriately. A quarterly review report on compliance with Risk Management framework of the Company is placed before the Audit Committee of the Company.

During the year under review, no risk threatening the existence of the Company was identified.

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

DISCLOSURE OF PECUNIARY RELATIONSHIP:

During the year, there was no pecuniary relationship or transactions between non-executive directors and the company. No payment, except sitting fees, was given to non-executive directors of the Company. No convertible instruments are held by any of the non-executive directors.

DETAILS OF SHARES ISSUED WITH DIFFERENTIAL VOTING RIGHTS AND SWEAT EQUITIES:

During the year under review, the company has not issued any shares with differential voting rights as to dividend, voting or otherwise and sweat equity shares.

EMPLOYEE STOCK OPTION SCHEME:

During the year under review, no option was granted or vested to any employee or Directors of the Company.

PROVISION OF MONEY BY COMPANY FOR PURCHASE OF ITS OWN SHARES BY EMPLOYEES OR BY TRUSTEES FOR THE BENEFITOF EMPLOYEES:

The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustee for the benefit of employees.

DEPOSITS:

The Company did not accept any deposits within the meaning of Section 73 of the Companies Act, 2013 and Rules made there under at the beginning of the year. During the year under review, the Company has neither invited nor accepted any deposit under Section 73 of the Companies Act, 2013 and the rules made there under and no deposit was remaining unpaid or unclaimed as at the end of the year.

COST AUDIT:

The Company is not required to maintain cost records as specified by the Central Government under Section 148(1) of the Act.

SECRETARIAL AUDITOR:

In terms of the provision of the Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed M/s. V. V. Chakradeo & Co., Practicing Company Secretaries, to conduct the Secretarial Audit for the financial year ended 31stMarch, 2020.

The Secretarial Audit Report for the Financial Year ended 31stMarch 2020 issued by M/s. V. V. Chakradeo & Co., Practicing Company Secretaries is annexed herewith marked as "***Annexure C"*** to this Annual Report.

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

Disclosures relating to remuneration of Directors, Key Managerial Personnel (KMPs) and employees as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in "***Annexure D"*** to this Report.

During the year under review, there were no employees falling under the criteria specified under section 197(12) of the Companies Act, 2013 and rule 5(2) of the of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. However, other information as required under said rule may be obtained by the members by writing to the Company Secretary of your Company and the same be furnished on request and is also made available on the Company's website i.e.www.khil.com.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Conservation of Energy:

(i) the steps taken or impact on conservation of energy;

(ii) the steps taken by the company for utilising alternate sources of energy; (iii) the capital investment on energy conservation equipments;

The Company continued energy conservation efforts during the year. It has closely monitored power consumption and running hours on day to day basis, thus resulting in optimum utilization of energy. The hotels are fitted with energy saving devices to conserve energy in the long run.

a) Technology Absorption:

(i) the efforts made towards technology absorption: The activities of the Company at present do not involve technology absorption and research and development.

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution; N.A.

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

(a) the details of technology imported; N.A. (b) the year of import; N.A.

(c) whether the technology been fully absorbed; N.A.

(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; N.A. and

(e) the expenditure incurred on Research and Development. N.A.

The activities of the Company at present do not involve technology absorption and research and development.

(f) Foreign exchange earnings and outgo:

Earnings: Rs. 1,745.60 Lakhs (Previous Year Rs. 2,065.03 Lakhs)

Utilization (including import of capital goods): Rs. 13.95 Lakhs (Previous Year Rs. 110.49 Lakhs)

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THEGOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

During the year under review, no significant or material orders were by passed by the regulators or courts or tribunals which had an impact on the going concern status of the company and its operations in future.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENT:

Your Company has in place adequate internal financial controls with reference to financial statements, commensurate with the size, scale and complexity of its operations. The Company has laid down standards, processes and structures which enable implementation of internal financial control across the organization and ensure that the same are adequate and operating effectively. Financial Controls are operative for all the business activities of the Company and no material weakness in the design or operation of any control was observed. During the year the internal financial controls as laid down are adequate and were operating effectively.

Furthermore, in accordance with Section 149(8), read with the Code for Independent Directors laid down under Schedule IV, Clause II (4) of the Companies Act, 2013, the Independent Directors have satisfied themselves on the integrity of financial information and have ensured that Financial Controls and systems are robust and secure.

The Board has empowered the Audit Committee to periodically review and confirm that the mechanism remains effective and fulfill the objectives for which they have been created.

DISCLOSURES RELATING TO UNCLAIMED SUSPENSE ACCOUNT AS PER REGULATION 34(3) READ WITH SCHEDULE V(F) OF THESEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATION, 2015:

Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year	Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the year	Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year
One shareholder having 500 equity shares	**NIL**	**NIL**	One shareholder having 500equity shares

The voting rights on the shares in unclaimed suspense account shall remain frozen till the rightful owner of such shares claims the shares.

CORPORATE SOCIAL RESPONSIBILITY:

The Company understands the importance of the society in smooth functioning of the business. Thus, to acknowledge the constant support provided by the society, the Company involves itself in different corporate social responsibility activities.

Brief outline of Corporate Social Responsibility (CSR Policy of company and the initiatives undertaken by the Company on CSR activities during the under review are set out in "**Annexure E**" of this report in the format prescribed under the Companies (CSR Policy) Rules, 2014. The CSR Policy is available on the website of the Company.

The CSR committee on a continuous basis manifests the activities through which it can have positive impact on the society and be beneficial for larger good of the people.

KAMAT HOTELS (INDIA) LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS:

Management's Discussion and Analysis Report for the year under review, as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is given as "**Annexure F**".

CORPORATE GOVERNANCE:

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by the Securities and Exchange Board of India (SEBI). The Report of Corporate Governance as stipulated under the Listing Regulations is annexed as "**Annexure G**". The requisite Certificate from M/s. V. V. Chakradeo, Practicing Company Secretaries confirming compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance.

IMPLEMENTATION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

Your Company has zero tolerance towards any action on the part of any employee which may fall under the ambit of 'Sexual Harassment' at workplace, and is fully committed to uphold and maintain the dignity of every woman employee in the Company. The Company's policy provides for protection against sexual harassment of women at workplace and for prevention and redressal of such complaints. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year no complaints pertaining to sexual harassment were received.

STATUTORY AUDITORS:

M/s. N. A. Shah Associates LLP, Chartered Accountants, Mumbai were appointed as Statutory Auditors of your Company at the Annual General Meeting held on 22nd September, 2017 for a term of five consecutive years.

EXPLANATION ON QUALIFICATION MADE BY STATUTORY AUDITORS / SECRETARIAL AUDITOR:

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

The Statutory Auditors, in their report on Consolidated Financial Statements for the year ended 31st March, 2020, have invited reference to Note 34.1 a) of notes to the financial statements and stated that, in their opinion, non-provision of interest on the secured loan taken by Company's Subsidiary viz., Orchid Hotels Pune Private Limited (OHPPL) in its books from 1st October, 2013 till 31st March, 2020 is not in compliance with Ind AS 23 – Borrowing Cost. Your Directors are of the view that no provision for interest is required to be made in the books of accounts for the reasons detailed in Note 54 (ii) of the notes to the financial statements, which are self-explanatory.

Further, your Directors invite reference to paragraph under "NOTE ON FINANCE OF SUBSIDIARY" hereinabove, and reiterate that, subsequent to approval of audited financial statements for the year ended 31st March, 2020, as legally advised, the liability shown in consolidated financial statement of the Company, is barred by limitations hence, the said liability is not confirmed by your Directors.

EMPLOYEE RELATIONS:

The Management realizes the role and importance of its employees for growth of the business. Therefore, the Company continuously strives to maintain cordial relationship with its employees. They are also given opportunities to rise and have impact on the working of the Company.

ACKNOWLEDGEMENTS:

The Directors place on record their appreciation for the sincere and whole hearted co-operation extended by all concerned, particularly Company's Bankers, Financial Institutions, Asset Reconstruction Companies, Security Trustees, Stock Exchanges, Department of Tourism, Municipal authorities, the Government of Maharashtra, Goa and Odisha, the Central Government, Suppliers, Clientele and the employees of the Company and look forward to their continued support. The Directors also thank the shareholders for continuing their support and confidence in the Company and its management.

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

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

Place : Mumbai
Date : 28th August, 2020

KAMAT HOTELS (INDIA) LIMITED

ANNEXURE "A" TO THE BOARD'S REPORT
FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN

for the financial year ended on 31st March, 2020

[Pursuant to section 92(3) *of the Companies Act, 2013* and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i. CIN: - L55101MH1986PLC039307
ii. Registration Date: - 21st March, 1986
iii. Name of the Company: - Kamat Hotels (India) Limited
iv. Category / Sub-Category of the Company: - Company Limited by Shares
v. Address of the Registered office and contact details: - 70 – C, Nehru Road, Near Santacruz Airport, Vile Parle (East), Mumbai - 400099
vi. Whether listed Company: - Yes

Name, Address and Contact details of Registrar and Transfer Agent: Link Intime India Private Limited, C-101, 247 Park, L. B. S. Marg Vikhroli (West), Mumbai-400083, Tel No.49186270 and Fax No. 49186060.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Hotels and Restaurants	99633102	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and Address of Company CIN / GLN Holding / Subsidiary / Associate	CIN / GLN	Holding / Subsidiary / Associate	% of Shares	Applicable Section
1	Orchid Hotels Pune Private Limited Address: Ground Floor, KHIL House, 70-C, Nehru Road, Vile Parle (East), Mumbai–400099	U55101MH2007PTC170188	Subsidiary	100%	2(87)(ii) of the Companies Act, 2013
2	Mahodadhi Palace Private Limited Address: 70-C, Nehru Road, Vile Parle (East), Mumbai – 400099	U55101MH2010PTC201685	Subsidiary	100%	2(87)(ii) of the Companies Act, 2013
3	Kamats Restaurants (India) Private Limited Address: KHIL House, 70-C, Nehru Road, Vile Parle (East), Mumbai – 400099	U55204MH2011PTC215698	Subsidiary	100%	2(87)(ii) of the Companies Act, 2013
4	Fort Jadhavgadh Hotels Private Limited Address: KHIL House, 70- C, Nehru Road, Vile Parle (East), Mumbai – 400099	U55101MH2012PTC227175	Subsidiary	100%	2(87)(ii) of the Companies Act, 2013
5	Orchid Hotels Eastern (I) Private Limited (Formerly Green Dot Restaurants Private Limited). Address: KHIL House, 70-C, Nehru Road, Vile Parle (East), Mumbai –400099	U55101MH2012PTC237229	Subsidiary	100%	2(87)(ii) of the Companies Act, 2013
6.	Ilex Developers & Resorts Limited Address: 70-C, Nehru Road, Vile Parle (East), Mumbai – 400099	U70102MH2008PLC184194	Joint Venture	32.92%	Section 2(6) of the Companies Act, 2013

IV SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

i) Category-wise Share Holding

Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2019				Shareholding at the end of the year - 2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	0	0	0	0.00	0	0	0	0'.00	0.00
(b)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Any Other (Specify)									
	Persons Acting In Concert	33,68,238	0	33,68,238	14.28	33,68,238	0	33,68,238	14.28	0.00
	Bodies Corporate	1,09,93,722	0	1,09,93,722	46.61	1,09,93,722	0	10,993,722	46.61	0.00
	Sub Total (A)(1)	**14,361,960**	**0**	**1,43,61,960**	**60.90**	**1,43,61,960**	**0**	**1,43,61,960**	**60.90**	**0.0**
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Government	0	0	0	'0.00	0	0	0	'0.00	'0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (Specify)									
	Sub Total (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	**1,43,61,960**	**0**	**1,43,61,960**	**60.90**	**1,43,61,960**	**0**	**1,43,61,960**	**60.90**	**0.00**
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	0	1,000	1,000	0.00	0	1,000	1,000	0.00	0.00
(b)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Alternate Investment Funds	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Financial Institutions / Banks	29,053	0	29,053	0.12	404	0	404	0.00	-0.12
(g)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Provident Funds/ Pension Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Any Other (Specify)									
	Sub Total (B)(1)	**29,053**	**1,000**	**30,053**	**0.13**	**404**	**1,000**	**1,404**	**0.00**	**'-0.12**

Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2019				Shareholding at the end of the year - 2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
[2]	Central Government/ State Government(s)/ President of India									
	Sub Total (B)(2)	0	0	0	0.00	0	0	0	0.00	0.00
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital uptoRs. 1 lakh.	43,19,594	2,13,112	45,32,706	19.22	41,46,669	2,04,611	43,51,280	18.45	-0.77
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	23,45,165	0	2,345,165	9.94	30,58,245	0	30,58,245	12.97	3.02
(b)	NBFCs registered with RBI	2,875	0	2,875	0.01	100	0	100	0.00	'-0.01
(c)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Any Other (Specify)									
	Hindu Undivided Family	4,29,546	0	4,29,546	1.82	4,33,555	0	4,33,555	1.84	'0.02
	Foreign Companies	0	1,100	1,100	0.05	0	1,100	1,100	0.05	0.00
	Non Resident Indians (Non Repat)	76,808	73,200	15,00,08	0.64	53,949	68,800	1,22,749	0.52	-0.11
	Non Resident Indians (Repat)	1,42,393	0	1,42,393	0.61	1,38,207	0	1,38,207	0.59	-0.02
	Clearing Member	1,86,656	0	1,86,656	0.79	45,437	0	45,437	0.19	-0.60
	Bodies Corporate	13,88,496	13,100	14,01,596	5.94	10,56,921	13,100	**10,70,021**	4.54	-1.41
	Sub Total (B)(3)	**88,91,533**	**3,00,512**	**91,92,045**	38.97	**89,33,083**	**2,87,611**	**92,20,694**	39.10	**0.12**
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	**89,20,586**	**3,01,512**	**92,22,098**	39.10	**89,33,487**	**2,88,611**	**92,22,098**	39.10	**0.00**
	Total (A)+(B)	**23,282,546**	**3,01,512**	**23,58,4058**	**100**	**2,32,95,447**	**2,88.611**	**2,35,84,058**	**100**	**0.00**
(C)	Non Promoter - Non Public									
	(C1) Shares Underlying DRs									
[1]	Custodian/DR Holder	0	0	0	0.0	0	0	0	0.0	0.00
	(C2) Shares Held By Employee Trust									
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.00	0	0	0	0.00	0.00
	Total (A)+(B)+(C)	**2,32,82,546**	**3,01,512**	**2,35,84,058**	**100**	**2,32,95,447**	**2,88,611**	**2,35,84,058**	**100**	

ii) Shareholding of Promoters

Sr No	Shareholder's Name	Shareholding at the beginning of the year - 2019			Shareholding at the end of the year - 2020			
		NO.OF SHARES HELD	% of total Shares of the company	%of Shares Pledged /encumbered to total shares	NO.OF SHARES HELD	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	% change in shareholding during the year
1	Plaza Hotels Pvt Ltd	35,35,545	14.99	13.64	35,35,545	14.99	13.64	0.00
2	Vithal Venketesh Kamat	31,05,126	13.17	13.17	31,05,126	13.16	13.17	0.00
3	Indira Investments Private Limited	15,63,794	6.63	6.47	15,63,794	6.64	6.48	0.00
4	Kamat Holdings Private Limited	15,00,000	6.36	6.36	15,00,000	6.36	6.36	0.00
5	Nagpur Ecohotel Private Limited	10,00,000	4.24	4.24	0	0.00	0.00	-4.24
6	Kamat Development Private Limited	8,39,272	3.56	3.56	8,39,272	3.56	3.56	0.00
7	Sangli Rubber Agro Private Limited	7,57,000	3.21	3.21	7,57,000	3.21	3.21	0.00
8	Vits Hotels (Bhubaneswar) Private Ltd	6,29,629	2.67	0.91	0	0.00	0.00	-2.67
9	Kamats Holiday Resorts (Silvassa) Limited	2,76,439	1.17	1.17	2,76,439	1.17	1.17	0.00
10	Vishal Amusements Limited	2,58,897	1.10	0.97	18,88,526	8.01	6.12	6.91
11	Savarwadi Rubber Agro Private Limited	2,05,128	0.87	0.00	2,05,128	0.87	0.00	0.00
12	Kamats Super Snacks Private Limited	1,82,445	0.77	0.77	1,82,445	0.77	0.77	0.00
13	Vithal V. Kamat	1,49,864	0.63	0.59	1,49,864	0.63	0.59	0.00
14	Kamats Eateries Private Limited	1,19,245	0.50	0.49	1,19,245	0.51	0.49	0.00
15	Vidya Vithal Kamat	96,621	0.41	0.12	96,621	0.41	0.12	0.00
16	Karoke Amusements Private Limited	80,88	0.34	0.34	80,877	0.34	0.34	0.00
17	Kamburger Foods Private Limited	40,551	0.17	0.16	40,551	0.17	0.16	0.00
18	Vishal V Kamat	15,627	0.06	0.06	15,627	0.07	0.07	0.00
19	Kamats Club Private Limited	4,900	0.02	0.02	4,900	0.02	0.02	0.00
20	Vidita V Kamat	500	0.00	0.00	500	0.00	0.00	0.00
21	Vikram V Kamat	500	0.00	0.00	500	0.00	0.00	0.00
	Total	**14,361,960**	**60.90**	**56.28**	**143,61,960**	**60.90**	**56.28**	**0.00**

Note:

1. Pursuant to order of NCLT dated 25th January, 2018, 9 companies i.e. Indira Investments Private Limited, Kamat Holdings Private Limited, Kamburger Foods Private Limited, Karaoke Amusements Private Limited, Kamats Club Private Limited, Kamats Eateries Private Limited, Kamats Super Snacks Private Limited (Collectively, the ‘Transferor Companies’) were amalgamated with Vishal Amusements Limited (Transferee Company/Resulting Company). Effect of the same is pending due to NOC from Lenders.
2. There has been no additional encumbrances or pledge created on the shares of Kamat Hotels (India) Limited pursuant to the said merger.
3. There has been no change in the overall shareholding of promoter group due to the said merger as shareholding of one promoter group is transferred in the other promoter group holding.

iii) Change in Promoters Shareholding (please specify, if there is no change): There is no change

Name & type of transaction	Shareholding at the beginning of the year 2019		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of share	% of total shares of the Company
At the beginning of the year Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer /bonus/ sweat equity etc):	1,43,61,960	60.90	1,43,61,960	60.90
At the end of the year	1,43,61,960	60.90	1,43,61,960	60.90

iv) **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr No.	Name & Type Of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		No. of Shares Held	% of Total Shares of The Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
1	SANJAY KANAIYALAL SHAH	0	0			0	0
	Transfer			26 Jul 2019	16,001	16,001	0.07
	Transfer			02 Aug 2019	88,591	1,04,592	0.45
	Transfer			09 Aug 2019	49,408	1,54,000	0.65
	Transfer			16 Aug 2019	11000	165000	0.70
	Transfer			23 Aug 2019	10,000	1,75,000	0.74
	Transfer			30 Aug 2019	7,000	1,82,000	0.77
	Transfer			06 Sep 2019	3,000	1,85,000	0.78
	Transfer			20 Sep 2019	5,000	1,90,000	0.80
	Transfer			27 Sep 2019	2,000	1,92,000	0.81
	Transfer			30 Sep 2019	1,000	1,93,000	0.81
	Transfer			04 Oct 2019	1,000	1,94,000	0.82
	Transfer			18 Oct 2019	10,500	2,04,500	0.87
	Transfer			25 Oct 2019	7,400	2,11,900	0.90
	Transfer			01 Nov 2019	7,400	2,19,300	0.93
	Transfer			08 Nov 2019	1,600	2,20,900	0.94
	Transfer			15 Nov 2019	200	2,21,100	0.94
	Transfer			22 Nov 2019	700	2,21,800	0.94
	Transfer			06 Dec 2019	200	2,22,000	0.94
	Transfer			13 Dec 2019	2,000	2,24,000	0.95
	Transfer			20 Dec 2019	3,500	2,27,500	0.96
	Transfer			27 Dec 2019	1,000	2,28,500	0.97
	Transfer			10 Jan 2020	6,500	2,35,000	0.99
	Transfer			17 Jan 2020	11,500	2,46,500	1.04
	Transfer			24 Jan 2020	5700	252200	1.07
	Transfer			31 Jan 2020	1,900	2,54,100	1.08
	Transfer			07 Feb 2020	3,600	2,57,700	1.09
	Transfer			14 Feb 2020	23,300	2,81,000	1.19
	Transfer			21 Feb 2020	1,500	2,82,500	1.19
	Transfer			28 Feb 2020	2,500	2,85,000	1.21
	Transfer			06 Mar 2020	3,700	2,88,700	1.22
	Transfer			20 Mar 2020	22,500	3,11,200	1.32
	Transfer			27 Mar 2020	13,450	3,24,650	1.38
	Transfer			31 Mar 2020	1,000	3,25,650	1.38
	AT THE END OF THE YEAR					3,25,650	1.38
2	UPSURGE INVESTMENT & FINANCE LTD	67,802	0.28			67,802	0.28
	Transfer			05 Apr 2019	(24,822)	42,980	0.18
	Transfer			12 Apr 2019	6,769	49,749	0.21
	Transfer			19 Apr 2019	(12,170)	37,579	0.15
	Transfer			26 Apr 2019	145	37,724	0.16
	Transfer			03 May 2019	6,779	44,503	0.19

Sr No.	Name & Type Of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		No. of Shares Held	% of Total Shares of The Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
	Transfer			10 May 2019	2,303	46,806	0.19
	Transfer			17 May 2019	2,813	49,619	0.21
	Transfer			31 May 2019	(7,000)	42,619	0.18
	Transfer			07 Jun 2019	2,000	44,619	0.19
	Transfer			14 Jun 2019	5,713	50,332	0.21
	Transfer			21 Jun 2019	8,195	58,527	0.24
	Transfer			29 Jun 2019	9,436	67,963	0.29
	Transfer			05 Jul 2019	22,25	70,188	0.29
	Transfer			12 Jul 2019	15,120	85,308	0.36
	Transfer			19 Jul 2019	23,282	1,08,590	0.46
	Transfer			26 Jul 2019	8,429	1,17,019	0.50
	Transfer			02 Aug 2019	(5,000)	1,12,019	0.47
	Transfer			16 Aug 2019	7,231	1,19,250	0.50
	Transfer			23 Aug 2019	(37,797)	81,453	0.34
	Transfer			30 Aug 2019	2,326	83,779	0.35
	Transfer			13 Sep 2019	(15,000)	68,779	0.29
	Transfer			20 Sep 2019	(18,071)	50,708	0.21
	Transfer			27 Sep 2019	(50,208)	500	0.00
	Transfer			30 Sep 2019	1,143	1,643	0.00
	Transfer			04 Oct 2019	502	2,145	0.00
	Transfer			11 Oct 2019	8,322	10,467	0.04
	Transfer			18 Oct 2019	21,761	32,228	0.13
	Transfer			25 Oct 2019	6,412	38,640	0.16
	Transfer			01 Nov 2019	5,557	44,197	0.18
	Transfer			08 Nov 2019	20,137	64,334	0.27
	Transfer			15 Nov 2019	61,710	1,26,044	0.53
	Transfer			22 Nov 2019	9,931	1,35,975	0.58
	Transfer			29 Nov 2019	5,835	141,810	0.60
	Transfer			06 Dec 2019	11,771	1,53,581	0.65
	Transfer			13 Dec 2019	5,800	1,59,381	0.67
	Transfer			20 Dec 2019	(17,618)	1,41,763	0.60
	Transfer			27 Dec 2019	8,700	1,50,463	0.64
	Transfer			31 Dec 2019	6,666	1,57,129	0.67
	Transfer			03 Jan 2020	(1,259)	1,55,870	0.67
	Transfer			17 Jan 2020	44,525	2,00,395	0.85
	Transfer			24 Jan 2020	7,276	2,07,671	0.88
	Transfer			31 Jan 2020	3,148	2,10,819	0.89
	Transfer			07 Feb 2020	360	2,11,179	0.89
	Transfer			28 Feb 2020	2,000	2,13,179	0.90
	AT THE END OF THE YEAR					2,13,179	0.90
3	NISHANT R PARIKH	100000	0.424			1,00,000	0.42
	Transfer			17 May 2019	2,000	1,02,000	0.43
	Transfer			31 May 2019	8,410	1,10,410	0.46

Sr No.	Name & Type Of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		No. of Shares Held	% of Total Shares of The Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
	Transfer			21 Jun 2019	4,632	1,15,042	0.49
	Transfer			29 Jun 2019	1,958	1,17,000	0.50
	Transfer			12 Jul 2019	2,650	1,19,650	0.51
	Transfer			19 Jul 2019	2,850	1,22,500	0.52
	Transfer			26 Jul 2019	4,000	1,26,500	0.54
	Transfer			02 Aug 2019	5,359	1,31,859	0.56
	Transfer			16 Aug 2019	1,000	1,32,859	0.56
	Transfer			23 Aug 2019	1,000	1,33,859	0.57
	Transfer			30 Aug 2019	4,610	1,38,469	0.59
	Transfer			06 Sep 2019	93	1,38,562	0.59
	Transfer			13 Sep 2019	927	1,39,489	0.59
	Transfer			20 Sep 2019	2,000	1,41,489	0.60
	Transfer			27 Sep 2019	500	1,41,989	0.60
	Transfer			11 Oct 2019	400	1,42,389	0.60
	Transfer			01 Nov 2019	1,562	1,43,951	0.61
	Transfer			15 Nov 2019	2,000	1,45,951	0.62
	Transfer			10 Jan 2020	3,840	1,49,791	0.65
	Transfer			17 Jan 2020	1,000	1,50,791	0.64
	Transfer			24 Jan 2020	1,000	1,51,791	0.64
	Transfer			07 Feb 2020	2,900	1,54,691	0.656
	Transfer			06 Mar 2020	1,100	1,55,791	0.66
	Transfer			13 Mar 2020	4,000	1,59,791	0.67
	Transfer			20 Mar 2020	6,000	1,65,791	0.70
	Transfer			27 Mar 2020	7,000	1,72,791	0.73
	AT THE END OF THE YEAR					1,72,791	0.73
4	SAURABH RANJIT PARIKH	107000	0.4537			1,07,000	0.45
	Transfer			26 Apr 2019	500	1,07,500	0.45
	Transfer			17 May 2019	2000	1,09,500	0.46
	Transfer			24 May 2019	3,500	1,1,3000	0.48
	Transfer			31 May 2019	4,000	1,17,000	0.50
	Transfer			14 Jun 2019	3,400	1,20,400	0.51
	Transfer			21 Jun 2019	1,219	1,21,619	0.51
	Transfer			05 Jul 2019	600	1,22,219	0.52
	Transfer			12 Jul 2019	1,200	1,23,419	0.52
	Transfer			19 Jul 2019	500	1,23,919	0.52
	Transfer			26 Jul 2019	500	1,24,419	0.53
	Transfer			09 Aug 2019	4,000	1,28,419	0.54
	Transfer			23 Aug 2019	16,529	1,44,948	0.61
	Transfer			30 Aug 2019	2,152	1,47,100	0.62
	Transfer			06 Sep 2019	2,400	1,49,500	0.63
	Transfer			13 Sep 2019	5,210	1,54,710	0.64
	Transfer			11 Oct 2019	110	1,54,820	0.66
	Transfer			01 Nov 2019	55	1,54,875	0.66
	Transfer			08 Nov 2019	50	1,54,925	0.66

Sr No.	Name & Type Of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		No. of Shares Held	% of Total Shares of The Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
	Transfer			15 Nov 2019	10	1,54,935	0.66
	Transfer			22 Nov 2019	70	1,55,005	0.66
	Transfer			13 Dec 2019	30	1,55,035	0.66
	Transfer			20 Dec 2019	1,500	1,56,535	0.66
	Transfer			27 Dec 2019	3,310	1,59,845	0.67
	Transfer			10 Jan 2020	750	1,60,595	0.68
	Transfer			17 Jan 2020	200	1,60,795	0.68
	Transfer			24 Jan 2020	500	1,61,295	0.68
	Transfer			07 Feb 2020	5	161,300	0.68
	Transfer			14 Feb 2020	600	1,61,900	0.68
	Transfer			21 Feb 2020	150	1,62,050	0.68
	Transfer			28 Feb 2020	150	1,62,200	0.68
	Transfer			13 Mar 2020	50	1,62,250	0.69
	Transfer			20 Mar 2020	1,700	1,63,950	0.69
	Transfer			31 Mar 2020	1900	1,65,850	0.70
	AT THE END OF THE YEAR					1,65,850	0.70
5	JAIDEEP SAMPAT	131003	0.5555			1,31,003	0.55
	AT THE END OF THE YEAR					1,31,003	0.55
6	STATUS CAPITALS PVT LTD	118973	0.5045			1,18,973	0.50
	AT THE END OF THE YEAR					1,18,973	0.50
7	PAWAN AGGARWAL	115000	0.4876			1,15,000	0.49
	AT THE END OF THE YEAR					1,15,000	0.49
8	PRAVEEN ARORA .	84000	0.3562			84,000	0.35
	Transfer			06 Dec 2019	9,667	93,667	0.40
	Transfer			24 Jan 2020	10,900	1,04,567	0.44
	AT THE END OF THE YEAR					1,04,567	0.44
9	PRAGNA KISHORE KOTHARI	0	0			0	0
	Transfer			14 Jun 2019	7,000	7,000	0.02
	Transfer			21 Jun 2019	3,000	10,000	0.04
	Transfer			29 Jun 2019	1,462	11,462	0.05
	Transfer			05 Jul 2019	538	12,000	0.06
	Transfer			19 Jul 2019	3,000	15,000	0.06
	Transfer			26 Jul 2019	18,000	33,000	0.14
	Transfer			02 Aug 2019	13,000	46,000	0.19
	Transfer			09 Aug 2019	4,000	50,000	0.21
	Transfer			20 Sep 2019	500	50,500	0.21
	Transfer			04 Oct 2019	130	50,630	0.21
	Transfer			10 Jan 2020	13870	64,500	0.27
	Transfer			17 Jan 2020	14298	78,798	0.33
	Transfer			24 Jan 2020	8,402	87,200	0.37
	Transfer			31 Jan 2020	710	87,910	0.37
	Transfer			07 Feb 2020	1,990	89,900	0.38
	Transfer			14 Feb 2020	1,100	91,000	0.38

Sr No.	Name & Type Of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		No. of Shares Held	% of Total Shares of The Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
	Transfer			13 Mar 2020	500	91,500	0.38
	Transfer			27 Mar 2020	9,000	1,00,500	0.43
	Transfer			31 Mar 2020	3,300	1,03,800	0.44
	AT THE END OF THE YEAR					1,03,800	0.44
10	SUNIL BODARAM LUTHRIA	0	0			0	0
	Transfer			25 Oct 2019	12,386	12,386	0.05
	Transfer			01 Nov 2019	12,614	25,000	0.11
	Transfer			06 Dec 2019	11122	36,122	0.15
	Transfer			13 Dec 2019	3,495	39,617	0.17
	Transfer			20 Dec 2019	3,556	43,173	0.18
	Transfer			10 Jan 2020	(1,000)	42,173	0.17
	Transfer			17 Jan 2020	(2,000)	40,173	0.17
	Transfer			24 Jan 2020	(2,000)	38,173	0.16
	Transfer			31 Jan 2020	15,931	54,104	0.23
	Transfer			07 Feb 2020	11,735	65,839	0.29
	Transfer			14 Feb 2020	19	65,858	0.28
	Transfer			21 Feb 2020	2,728	68,586	0.28
	Transfer			28 Feb 2020	4,341	72,927	0.31
	Transfer			06 Mar 2020	874	73,801	0.31
	Transfer			13 Mar 2020	112	73,913	0.31
	Transfer			27 Mar 2020	11,819	85,732	0.36
	Transfer			31 Mar 2020	1,500	87,232	0.376
	AT THE END OF THE YEAR					87,232	0.37

V. SHAREHOLDING DIRECTORS AND KEY MANAGERIAL PERSONNEL:

For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
Dr. Vithal V. Kamat (at the beginning of the year)	32,54,990	13.80	32,54,990	13.80
Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc	NIL	NIL	NIL	NIL
Dr. Vithal V. Kamat (at the end of the year)	32,54,990	13.80	32,54,990	13.80

For each of the Directors	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
Mrs. Harinder Pal Kaur (at the beginning of the year)	11,600	0.05	11,600	0.05
Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc	NIL	NIL	NIL	NIL
Mrs. Harinder Pal Kaur(at the end of the year)	11,600	0.05	11,600	0.05

Note : None of the other Directors and Key Managerial Personnel held any shares in the Company during the Financial Year 2019-20.

VI. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans	**Unsecured Loans**	**Deposits**	Total
Indebtedness at the beginning of the Financial Year				
Principal Amount	29,643.50	2,320.47	-	31,963.97
Interest Due but not paid	66.15	139.03	-	205.18
Interest Accrued but not due	11.93	-	-	11.93
Change in Indebtedness during the Financial Year				
Addition (principal)	-	284.19	-	284.19
Addition (interest)	988.72	102.76	-	1,091.48
Addition (Interest Accrued not due)	11.93			11.93
Reduction (principal)	5,226.51	709.73	-	5,936.24
Reduction (Interest)	66.15	94.55	-	160.70
Reduction (Interest Accrued not due)	11.93	-	-	11.93
Indebtedness at the end of the Financial Year:				
Principal Amount	24,416.99	1,894.93	-	26,311.92
Interest Due but not paid	988.72	147.24	-	1,135.96
Interest Accrued but not due	11.93	-	-	11.93

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Total Amount in ₹

Sr. No.		**Particulars of Remuneration**	**Name of MD/WTD/ Manage**
			Dr. Vithal V. Kamat (Executive Chairman and Managing Director)
1	a)	Gross salary	96,00,000
	b)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,97,456
	c)	Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL
	d)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL
2	Stock Option		NIL
3	Sweat Equity		NIL
4.	Commission - as % of Profit - other, specify		NIL
5	Others, please specify		NIL
		Total (A)	97,97,456
		Ceiling as per Act.	

Note: Excluding Provident Fund and Medical reimbursement.

The Company has paid remuneration to Dr. Vithal V. Kamat, Executive Chairman and Managing Director for the financial year ended 31st March 2020 which is in excess of the limits prescribed under section 197 of the Companies Act, 2013 (read with Schedule V) by Rs. 41.94 lakhs which was highlighted by the Auditors in the Board Meeting held on 30th July, 2020 and the waiver of the same was subject to approvals from secured lenders and the members.

However, subsequent to the approval of audited accounts for the year ended 31st March, 2020, based on the discussions held by the management with the secured lenders, at the meeting of the Board of Directors held on 28th August, 2020, the Board decided not to approach lenders for their NOC which is a prime condition before approaching members for waiver and instead directed to start the recovery process from Dr. Vithal V. Kamat and until the sum is fully recovered, Dr. Vithal V. Kamat shall hold the excess payment of remuneration in trust for the Company.

B. **Remuneration to other directors:**

Sr. No.	Particulars of remuneration	Name of the Directors					Amount in ₹
		Mr. S. S. Thakur	Mr. D. D. Jadhav	Himali H Mehta	Mr. Bipinchandra C. Kamdar	Mr. Ramnath P. Sarang	
1	Fees for attending Board Meeting	25,000	1,00,000	75,000	1,00,000	75,000	3,75,000
2	Fees for attending other committee meeting	35,000	90,000	65,000	90,000	45,000	3,25,000
	Total	60,000	1,90,000	1,40,000	1,90,000	1,20,000	7,00,000
	Total managerial Remuneration	NIL	NIL	NIL	NIL	NIL	96,00,000
	Overall ceiling as per act	NIL	NIL	NIL	NIL	NIL	

Note: Independent Directors were paid sitting fees for attending the Meeting of the Board during the Financial Year 2019-20, which were within the limits prescribed under the Companies Act, 2013.

excluding sitting fees.

Sr. No.	Particulars of remuneration	Key Managerial Personnel	
		Mrs. Smita Nanda Chief Financial Officer	Mr. Shailesh Bhaskar, Company Secretary
a)	Gross salary Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	29,12,388	10,76,822
b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
	Stock Option - - as % of Profit - other, specify	- -	- -
	Sweat Equity	- -	- -
	Commission - as % of Profit - other, specify	- -	- -
	Total	29,12,388	10,76,822*

* for part of the year

VIII. **PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES against the Company, Directors and other Officers in default under the Companies Act, 2013 :** None

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

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

Place: Mumbai
Date: 28th August, 2020

ANNEXURE "B" TO THE BOARD'S REPORT

NOMINATION AND REMUNERATION POLICY

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the Listing Regulations as amended from time to time, this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee and approved by the Board of Directors.

Objective and purpose of the Policy:

The objective and purpose of this policy are:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the hotel industry.
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

In the context of the aforesaid criteria the following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on 22nd March, 2014 and subsequently amended on 7th November, 2015.

Effective date

This policy shall be effective from 1st April, 2014

Constitution of the Nomination and Remuneration Committee:

The Board has changed the nomenclature of Remuneration Committee constituted on 31st January, 2001 by renaming it as Nomination and Remuneration Committee on 8th February, 2014 and modified by the Board of Directors at its meetings held on 22nd August,2014. The Nomination and Remuneration Committee comprises of the following Directors:

Sr. No	Name	Position
1	Mr. Dinkar D. Jadhav	Chairman: Non Executive Independent Director
2	Mr. Bipinchandra C. Kamdar	Member: Non Executive Non Independent Director
3.	Mr. Ramnath P. Sarang	Member -Non Executive Independent Director
4.	Mrs. Harinder Pal Kaur	Member -Non Executive Independent Director
5.	Mr. Sanjeev Badriprasad Rajgarhia**	Member -Non Executive Independent Director

* Appointed w.e.f. 15th May, 2020
** Appointed w.e.f. 28th August, 2020

The Board has the power to reconstitute the Committee consistent with the Company's policy and applicable statutory requirement.

Definitions

- **Board** means Board of Directors of the Company.
- **Directors** mean Directors of the Company.
- **Committee** means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- **Company** means Kamat Hotels (India) Limited.
- **Independent Director** means a director referred to in Section 149 (6) of the Companies Act, 2013.
- **Key Managerial Personnel** (KMP) means
  - (i) Executive Chairman and / or Managing Director; (ii) Whole-time Director;
  - (ii) Chief Financial Officer;
  - (iii) Company Secretary;
  - (iv) Such other officer as may be prescribed under the applicable statutory provisions / regulations.

- "Senior Management" shall mean officers/personnel of the listed entity who are members of its core management team excluding board ofdirectors and normally this shall comprise all members of management one level below the chief executive officer/managing director/ wholetime director/manager (including chief executive officer/manager, in case chief executive officer /manager not part of the board) and shallspecifically include company secretary and chief financial officer: Provided that administrative staff shall not be included.

  Senior management shall be abide by code of conduct and affirm compliance and shall disclose to the Board of Directors all material,financial and commercial transaction, where they have personal interest.

  Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

  Applicability

  The Policy is applicable to

- Directors (Executive and Non Executive)
- Key Managerial Personnel
- Senior Management Personnel

General

- This Policy is divided in three parts: Part – A covers the matters to be dealt with and recommended by the Committee to the Board, Part – B covers the appointment and nomination and Part – C covers remuneration and perquisites etc.
- The key features of this Company's policy shall be included in the Board's Report.

PART-A

MATTERS TO BE DEALT WITH, PURSUED AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.
- Recommend to the Board all remuneration, in whatever form, payable to Senior Management

PART – B

POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

- **Appointment criteria and qualifications:**

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director,KMP or at Senior Management level and recommend to the Board his / her appointment.
2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for theconcerned position.
3. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventyyears. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval ofshareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating thejustification for extension of appointment beyond seventy years.

- **Term / Tenure:**

1. Managing Director/Whole-time Director:
   - The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
2. Independent Director
   - An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shallnot, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directlyor indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1stOctober, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to eight listed companies as an Independent Director and three listed companies as an Independent Director incase such person is serving as a Whole-time Director of a listed company.

Evaluation:

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

- **Removal:**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made hereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or SeniorManagement Personnel subject to the provisions and compliance of the said Act, rules and regulations.

- **Retirement:**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and theprevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

PART – C

POLICY RELATING TO THE REMUNERATION FOR THE WHOLE-TIME DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL

- **General:**

1. The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shallbe subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
2. The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditionslaid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013, and the rules made there under.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which shouldbe within the slabs approved by the Shareholders in the case of Whole-time Director. Increments will be effective from 1st October inrespect of a Executive Chairman and Managing Director and 1stApril in respect of other employees of the Company.
4. Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer,the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insuranceshall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, thepremium paid on such insurance shall be treated as part of the remuneration.

Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

1. Fixed pay:

   The Whole-time Director / KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approvedby the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including,employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on theircommendation of the Committee and approved by the shareholders and Central Government, wherever required.

2. Minimum Remuneration:

   If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with suchprovisions, with the previous approval of the Central Government.

3. Provisions for excess remuneration:

   If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shallrefund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waiverecovery of such sum refundable to it unless permitted by the Central Government.

Remuneration to Non- Executive / Independent Director:

1. Remuneration / Commission:

   The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made there under.

2. Sitting Fees:

   The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof.

   Provided that the amount of such fees shall not exceed one lakh per meeting of the Board or Committee or such amount as may beprescribed by the Central Government from time to time.

3. Commission:

   Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

4. Stock Options:

   An Independent Director shall not be entitled to any stock option of the Company.

ANNEXURE “C” TO THE BOARD’S REPORT

FORM NO MR - 3

SECRETARIAL AUDIT REPORT

For the Financial year ended 31stMarch, 2020

(Pursuant to section 204 (1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

To,

The Members,
Kamat Hotels (India) Limited.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Kamat Hotels (India) Limited (hereinafter called the Company). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon. Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorised representatives during the conduct of secretarial audit, whereby report that in our opinion the company had during the audit period covering the financial year ended on 31stMarch 2020 complied with the statutory provisions listed hereunder and also that the company has proper board-processes and compliance mechanism in place to the extent inthe manner and subject to the reporting made hereinafter :

1. We have examined the books papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of :

    i. The Companies Act, 2013 (Act) and the rules made there under;

    ii. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made there under;

    iii. The Depositories Act 1996 and the regulations and Byelaws framed there under;

    iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; Not Applicable ;

    v. The following regulation guidelines prescribed under Securities and Exchange Board of India Act, 1992, (SEBI Act) viz:-

        a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015;

        b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

        c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

        d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

        e. The Securities and Exchange Board of India (Share Based Employee Benefits), Regulations 2014;

        f. The Securities and Exchange Board of India (Issue of Listing of Debt Securities) Regulations, 2008;

        g. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations 1993 regarding the Companies Act, and dealing with client;

        h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and (Not applicable during the Audit period)

        i. The Securities and Exchange Board of India (Buyback of Securities) Regulations 1998. (Not applicable during the Audit period)

    vi. Applicable Laws for Restaurant and Hotel, Public Licenses Permissions/Licenses from various Local Authorities, Government and Government Bodies,

        1. The Securities Contracts (Regulation) Act, 1956 and the rules made there under;

        2. The Securities and Exchange Board of India Act, 1992

        3. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

        4. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

        5. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009

6. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 201410) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client
7. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
8. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under
9. The Indian Stamp Act, 1899

2. Acts, Rules, Regulation relating to Accounts and Taxation Department:
   1. Income Tax Act, 1961 & Rules
   2. Finance Act, 1994
   3. Bombay Prohibition Act, 1949 (for state excise)
   4. Goods and Services Tax (GST)
   5. Ind AS (Indian Accounting Standard)
   6. Profession Tax Act of states
   7. Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975 and 2000
   8. Maharashtra Value Added Tax Act, 2002
   9. Maharashtra Municipal Corporation Act, 1949
   10. Accounting Standards as specified under section 133 of the Companies Act, 2013 read with Rule 7 the Companies (Accounts) Rules 2014, Accounting Standard Interpretation (ASI) issued by ICAI, Guidance Notes issued by ICAI, Auditing Standards,
   11. CBDT, VAT, CBEC Circulars

3. Acts, Rules, Regulation relating to Human Resource Department:
   1) The Minimum Wages Act, 1948
   2) The Equal Remuneration Act, 1976
   3) The Payment of Wages Act, 1936
   4) The Industrial Employment (Standing Orders) Act, 1946
   5) The Employees' State Insurance Act, 1948
   6) The Employees Provident Fund and miscellaneous provisions Act, 1952
   7) The Industrial Disputes Act, 1947
   8) The Payment of Gratuity Act, 1972.
   9) The Contract Labour (Regulation and Abolition) Act, 1970
   10) The Employment Exchanges(Compulsory Notification Of Vacancies) Act, 1959
   11) The Trade Unions Act, 1926
   12) The Maharashtra Recognition of Trade Unions & Prevention of Unfair Labour Practices Act, 1971
   13) The Child Labour (Prohibition And Regulation) Act, 1986 And Rules
   14) The Bombay Labour Welfare Fund Act, 1953
   15) The Payment of Bonus Act, 1965
   16) The Maharashtra Workmen's Minimum House-Rent Allowance Act, 1983
   17) The Workmen's' Compensation Act, 1923
   18) The Apprentice Act, 1973
   19) The Maternity Benefit Act, 1961

4. Acts, Rules, Regulation relating to Restaurant Division:
   1) Bombay Police Act, 1951
   2) The Water (Prevention & Control of Pollution) Act, 1974

3) The Air (Prevention & Control of Pollution) Act, 1981

4) The Environment (Protection) Act, 1986

5) Food Safety and Standards Act, 2006

5. Acts, Rules, Regulation relating to Legal Department:

Sr. No.	Name of the Acts/rules/regulations	Details of Compliances
1)	Bombay Shops & Establishments Act, 1948	-
2)	Police Licenses	• Section 394 for i) Restaurant, ii) Lodging, iii)Gradation • Section 328 for Neon Sign • Section 279 for Water supply • Sections 206 etc for Property Tax • Covering of Terrace in Monsoon for specific period under • Development Control Rules, 1991 • Water Fountain permission • Swimming Pool • Testing of water
3)	Police Licenses	• Place of Public Entertainment License(PPEL) • Bombay Police Act, 1951 • Place of Licensing & Controlling for Amusement, Public • Amusement Act (including Tamasha and Melas excluding Cinemas) 1960
4)	Rangabhu, Prayug Parinirishak Board, Government of Maharashtra	• For playing music inside the premises Section 138(1) of Place of Amusement and Controlling Act, 1960
5.	Bombay Prohibition Act, 1949	• FL III License, Fl IV License (One day License)
6	Maharashtra Fire Prevention and Life Safety Measures Act, 200	-
7	Food Safety & Standard Authority of India (FSSAI) (Earlier Prevention of Food Adulteration Act, 1954)	-
8	Standard of Weights and Measures Act, 1976	• Stamping of Peg Measure
9	Copy Right Acts, 1957	• Indian Performing Right Society(IPRS) for playing Live music of owners of music viz the composers, lyricists, authors and publishers of musicPhonographic Performance License(PPL) for Sound Recordings of its • ember music labels. Novex Communication for members other than ina) & b) for sound recordings as well as owners • Cable TV • From all existing TV Broadcasters
10	Cable Television Network (Regulation) Act, 1995	-
11	Maharashtra Land Revenue Code, 1966	• Payment of Non Agricultural Tax every year.
12	Bombay Entertainments Duty Act, 1923	• For faithful compliance/deposit for showing TV channels in hotels • For deposit of taxes for any type of entertainment program while serving liquor
13	Maharashtra Pollution Control Board (MPCB)	• Consent to Operate under Water Act, 1974 & under Air ct, 1981 • Environmental Statement Report under Environment Protection) Act, 1992
14	The Water (Prevention & Control of Pollution) Cess Act,1977	• Payment of cess quarterly as demanded by MPCB
15	Bombay Electricity Duty Act, 1958	• Payment of duty quarterly for generation of electricity by DG • Faithful compliances of Electrical Installation prior to • annual inspection by Electrical Inspector from Public Works • Department • Testing of all electrical fittings including lights inside the • swimming pool
16	The Bombay Lift Act, 1939 with Bombay Lift Rules, 1958	• Faithful compliances of Lifts Installation prior to annual inspection by Electrical Inspector from Public Works Department
17.	The Sexual Harassment of Women at Workplace. (Prevention, Prohibition and Redressal) Act, 2013	-

We have also examined compliance with the applicable clauses of the following:

i) Secretarial Standards issued by the Institute of Company Secretaries of India.

ii) The Listing Regulations entered into by the company with the stock exchange regulations, guidelines, standard etc mentioned above subject to the following observations.

During the under review the company has complied with the provisions of the Act, rules, regulations, guidelines, standards etc. as mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non -executive Directors and Independent Directors. The changes in composition of the board of directors that took place during the period under review were carried out in compliance with the provisions of the Act. During the year Ms. Hemali H. Mehta has resigned Independent (women) Director from the Board wef 18th February 2020 and the Company has appointed Ms. Harinder Pal Kaur as Independent (women) Director w.e.f. 15th May 2020.

The Company has paid remuneration to Dr. Vithal V. Kamat, Executive Chairman and Managing Director for the financial year ended 31st March 2020 which is in excess of the limits prescribed under section 197 of the Companies Act, 2013 (read with Schedule V) by Rs. 41.94 lakhs; Further, as per Section 197(9) of the Companies Act, 2013 Dr. Kamat is required to refund the Money to the Company.

Mr. Shailesh Bhaskar resigned as Company Secretary w.e.f. 10 Secretary w.e.f. 30th June 2020 and the Company has appointed Ms. Shruti Shrivastav as Company Secretary w.e.f 30th July, 2020.

The Company has received notices via Email from BSE Ltd and NSC regarding non compliance of number of Directors on the Board. As on 1st April 2020 Company has five directors but as per SEBI (LODR) Regulations, 2015, company requires to have minimum 6 no of directors. As on the date of this report, the Company has appointed Mr. Sanjeev Badriprasad Rajgarhia as Executive Director on its Board thereby, complying with Regulation 17 of SEBI LODR (Listing Obligations and Disclosure Requirements, 2015).

Adequate notice is given to all directors to schedule the board meeting and agenda and detailed notes on agenda were sent at least seven daysin advance and system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for the meaningful participation at the meeting.

Majority decision is carried through while the dissenting members views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

FOR V. V. CHAKRADEO & CO
COMPANY SECRETARIES

Place : Mumbai
Date : 18th August, 2020

V. V. Chakradeo
COP 1705. FCS 3382

To,

The Members,
Kamat Hotels (India) Limited

My report of even date is to be read along with this letter:

1. Maintenance of secretarial record is responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about correctness of the contents of the secretarial record. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. I believe that the practices and processes, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required I obtained management representation about the compliance of laws, rules, regulations, norms and standards and happening of events.
5. The compliance of the provisions of the Corporate and other laws, rules, regulations, norms and standards is the responsibility of the management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

FOR V. V. CHAKRADEO & CO
COMPANY SECRETARIES

Place : Mumbai
Date : 18th August, 2020

V. V. Chakradeo
COP 1705. FCS 3382

ANNEXURE "D" TO THE BOARD'S REPORT

DETAILS AS PER SECTION 197(12) READ WITH RULE 5(1) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 FOR THE YEAR ENDED 31ST MARCH 2020.

Remuneration to Directors and Key Managerial Personnel:

i. The percentage increase in remuneration of Chairman, Managing Director, Chief Financial Officer and Company Secretary during the financial year 2019-20 is as under:

Sr. No.	Name of KMP	Designation	**% increase in Remuneration during FY 2019-20**
1	Dr. Vithal V. Kamat	Executive Chairman and Managing Director	NA
2	Mrs. Smita Nanda	Chief Financial Officer	9%
3	Mr. Shailesh Bhaskar*	Company Secretary and compliance Officer	NA

- Appointed as Company Secretary and Compliance Officer w.e.f. 27th May, 2019 and resigned as Company Secretary and Compliance Office of the Company w.e.f. 10th June, 2020

Notes:

Ratio of remuneration of each Director to median remuneration of employees – Independent Directors and Non- Executive Director do not receive any remuneration other than sitting fees for attending Board and Committee Meetings. Details of sitting fees paid to Independent Directors are given in the Report on Corporate Governance forming part of the Annual Report and hence, are not included in the above table. The Non-Independent Director receives only sitting fees not any other remuneration. Therefore, providing details relating to ratio of remuneration of each Director to median remuneration of employees would not be meaningful.

ii. There were 1028 permanent employees on the rolls of the Company during FY 2020. The median remuneration of employees of the Company during FY 2020 was Rs. 18,833/- The median remuneration of employees during FY 2020 has increased by 7.90 % as compared to the previous financial year.

iii. Average percentage increase made in the remuneration of employees other than the managerial personnel in the last financial year i.e. FY 2020 was 13%.

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

ANNEXURE "E" TO THE BOARD'S REPORT ANNUAL REPORT ON CSR ACTIVITIES

1. **Corporate Social Responsibility (CSR) policy and its web link, projects proposed to be undertaken:**

   The CSR policy was recommended by the CSR Committee and adopted by the Board of Directors of the Company held on 22nd March, 2014 The CSR policy can be accessed on the website of the Company www.khil.com and the web link is http://www.khil.com/investors/policies.html

2. **Composition of CSR Committee:**

   At the Meeting of the Board of Directros of the Company held on 28th August, 2020 the CSR Committee was constituted. At present the following is the composition of CSR Committee:

   i. Mr. Dinkar D. Jadhav

   ii. Mr. Bipinchandra C. Kamdar

   iii. Mr. Ramnath P. Sarang

   iv. Mrs. Harinder Pal Kaur

   v. Mr. Sanjeev Badriprasad Rajgarhia

3. Average net profit for the last three financial years: 17.38 crores

4. The prescribed expenditure on CSR as under:

5. Details of CSR spent during the financial year: 9.36 lakhs

   Amount required to be spent for FY 2019-20: 34.75 lakhs

   Amount unspent, if any: 25.39 lakhs

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

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S.No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub- Heads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto to the reporting period.	Amount spent: Direct or through implementing agency
1	Seed Balls Distribution to Promote Plantation after Fani Cyclone in Odisha	Environmental awareness among Society	Seed Balls Prepared at The Orchid, Mumbai &Vits Mumbai & Sent to Konark & Mahodadhi Odisha.	2,00,000	1,87,734	1,87,734	Direct
2	Earth Day & Water Day & World Tourism Day	Environmental awareness among staff and society	The Orchid, Mumbai, MahodadhiPuri.	3,842	3,842	3,842	Direct
3	Say No To Crackers Drive	Environment Awareness	VITS, Mumbai	4,380	4,380	4,380	Direct
4	Cleaning drive	Beaches, Marine Ecology and social awareness	The Orchid, Vits, Lotus Murud, Fort JadhavGadh, MahodadhiPuri	1,21,485	1,21,485	1,21,485	Direct
5	Bird conservation- Sparrow lane is createdattheHotel. Bird feeders are installed in gardens across the city	Wild life conservation	The Orchid, Mumbai	21,585	21,585	21,585	Direct
6	Beautification of Gardens in Mumbai & Fort Jadhavgadh.	Mahim, Belapur, Navimumbai, Babulnath,Mumbai	The Orchid ,Vits Mumbai & Fort JadhavGadh.	5,83,030	5,83,030	5,83,030	Direct
7	Swchha Bharat Drawing Competition	Environmental awareness among Society	Lotus Konark, Odisha	14,422	14,422	14,422	Direct
			Total	9,74,000	9,36,478	9,36,478	

6. Reason for not spending amount: N.A

7. The CSR Committee states that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company

	Dinkar D. Jadhav	**Mr. Sanjeev Badriprasad Rajgarhia**	**Ramnath P. Sarang**
Place: Mumbai	**Chairman of CSR Committee**	**Member - CSR Committee**	**Member - CSR Committee**
Date : 28th August, 2020	**DIN 01809881**	**DIN 07857384**	**DIN 02544807**

ANNEXURE “F” TO THE BOARD’S REPORT

MANAGEMENT DISCUSSION AND ANALYSIS INDUSTRY STRUCTURE AND OUTLOOK

COMPANY’S INFORMATION:

Kamat Hotels (India) Limited (‘KHIL’) was incorporated on 21st March, 1986 with the main object of setting up and running of hotels and related business. KHIL is into many hospitality ventures other then hotels and restaurant such as clubs resorts, Heritage hotels and much more across India. KHIL is also into Hotel Consultancy, setups and other such related activities. KHIL’s most globally recognized brand is “THE ORCHID”, An Ecotel Hotel, Asia’s First chain of 5 star environmentally sensitive hotel which has won over 97 International & National awards. The Orchid is in Mumbai and Pune. The Company’s properties provide all the modern amenities to the travellers which make it one pack deal for them. All the hotels of the company are distinctly designed to resemble the nomenclature of the hotel.

PREAMBLE:

Towards the end of the fourth quarter of the current fiscal, COVID-19, a corona virus that originated in a city,spread throughout the world at anal arming rate in a matter of a few months. On March 11, 2020, the World Health Organisation (WHO), declared COVID-19 a global pandemic. The global economy was already sluggish,with growth rates declining due to lower infrastructure spends, increased trade barriers, geopolitical stress and social unrest in many countries. COVID-19 further exacerbated the stress, impacting growth rates even further by bringing ordinary life to a standstill, reducing travel and transportation, interrupting business and threatening lives and livelihoods across the globe. What started as a public health issue has spiralled into global recession, inseparable from the uncertainty and changed priorities that it has brought in its wake. Economic revival will largely depend on how the disease is contained, and the speed at which research can lead to the development of a vaccine or therapies for the cure of the ailment. The timetable for the commercial production and proliferation of medicines will be critical to bringing back normalcy in life, the revival of consumer sentiment and business confidence.

We are now placed at an inflection point. Along with the manufacturing sector and industries such as real estate,construction, automotive, luxury retail, etc. travel and tourism, that includes hospitality, airlines, cruise liners, road and railway transport,travel and tour operators have taken frontal impact of the pandemic. The tourism industry has been affected both in terms of the demand for its products and its people, given that the industry is highly people-centric and service delivery involves close interaction between guests and the service-providers.

The government's response to the situation, which includes social distancing norms,global travel advisories, suspension of visas, prohibition against mass gatherings, cancellation of sporting and cultural events, halting of interstate transport, railways, etc. has impacted the hospitality industry. The industry is taking all possible measures to survive in the short term, revive in the medium-term, and thus thrive in the long-term. This will prepare it for the “new normal”, an era of changed customer perceptions about product consumption and services; an era that will see higher emphasis on hygiene and safety amongst businesses and customers alike, and an exponential increase in the use of digital solutions as the world deals with the concept of“contact-less” interaction among people. The travel and tourism industry is estimated to have contributed US$ 8.9* Trillion to the world’s GDP, US$ 194.3 Billion in India alone, in 2019. More importantly,the industry contributes much more through indirect employment and thushelps multiply economic growth.

Industry Structure, Developments and Outlook:

The Global Economy – Performance & Prospects 2019 saw slow global economic growth of 2.9% compared with 3.6% in the previous year, impacted by slowing rates of growth in most regions across the world. In Emerging Markets and Developing Economies (EMDE), GDP growth reduced from 4.5% in 2018 to an estimated 3.7% in 2019 due to increased government debt and a slowing of investment. Simultaneously, weaker exports and investment in advanced economies (USA, EU and Japan), led to a slower GDP growth of 1.7% in 2019 against 2.2% in 2018.

GDP growth in the ‘Emerging and Developing Asia’ fell from 6.3% in 2018 to 5.5% in 2019 strongly influenced by the slowdown in the Chinese economy. This is the first time since the 1997-98 Asian financial crisis that growth in this region dropped below 6%.

The ongoing COVID-19 pandemic has brought global economic activity to almost a standstill. Owing to wide scale lockdowns in most parts of Asia, Europe and in South and

North America, the service sector, particularly travel, tourism and hospitality have seen

severe disruption to their businesses. With businesses staring at severe liquidity crisis,unemployment rates have risen sharply. Likewise, sharp drops in consumer spending have affected global supply chains. Governments across the world have introduced stimulus packages to support their economies which will further exasperate their fiscal deficits. There are varying opinions on the shape and the scale of economic recovery with the outlook still uncertain till a vaccine or an effective treatment for COVID-19 is found. The International Monetary Fund estimates the global economy to contract sharply by 4.9% in 2020, much worse than during the 2008-09 financial crisis. The U.S. economy is projected to shrink in 2020 by 5.9% and the Euro area by 7.5%. China is expected to grow at a modest 1.2%.

The India Story

India’s GDP growth rate declined from 6.1% in 2018-19 to an estimated 4.2% in 2019-20. On the other hand, India improved its global ranking in the World Bank’s Ease of Doing Business Report from 143 in 2016-17 to 68 in 2019-20. India’s total foreign exchange (Forex) reserves increased to around US$ 508 billion in June 2020.

The Government of India has introduced several bold pro-corporate initiatives in the past year, including passing of the Insolvency and Bankruptcy

Code (Second Amendment) Bill,rationalization of GST rates and reduction of corporate tax rates. Measures have also been taken to improve the Ease of Doing Business index. Reduction of GST on hotel rooms with tariffs of Rs. 1,001 to Rs. 7,500 per night to 12% and those above Rs. 7,501 to 18% was another step in the right direction. Likewise, easing of credit, especially for the stressed real estate and NBFC sectors helped boosting investment and consumption.

Much like the rest of the world, the Indian economy has been deeply affected by the impact of the COVID-19 pandemic with it's far reaching consequences on economic and social life. The lockdown in India that was imposed on 24th March 2020 has had an unprecedented impact on the economy owing to a steep fall in demand as well as supply.

The process of lifting the lockdown in various states has since started in phases,effective 1st June 2020, guided by the decision of individual states, although during a major part of this lockdown period, hotel and flight operations were mandated to remain non-operational across India. We expect domestic travel to gradually pick up as the lockdown in various cities in India is lifted. Further, once border restrictions are lifted, we expect international travel to also progressively resume.

The IMF has projected India's economy to contract by 4.5% in 2020 followed by a 6%5 GDP growth for India in 2021-22, implying that a recovery of business sentiment and resultant economic growth recovery may be on the cards once a vaccine and/or treatment is in sight.

Travel & Tourism:

India

The Travel & Tourism Industry has been a major source of growth for the Indian economy. Over the past few years, tourism has witnessed steady growth, aided by the shift from foreign to domestic tourism driven by the rising purchasing power of the expanding middle class. The 2020 edition of the WTTC's Economic Impact - India Report states that the Travel& Tourism industry's total contribution to the country's GDP in 2019 equated to 6.8% or Rs. 13.7 trillion (US$ 194.3 billion). This decline in 2019 from 9.2% in 2018 is attributed to several factors, such as a general declining trend in economic activity, discontinuation of a national airline leading to reduced air travel, natural disasters and pollution levels especially during the winter months.

The industry continued to generate over 8% of employment, amounting to 40 million jobs,and significantly contributes to the Foreign Exchange Earnings of the country, increasing by 7.4% per cent during January to November 2019.

2019 witnessed an estimated 11 million Foreign Tourist Arrivals to the country, a growth of 3.2% over 2018. Among other factors, this may be attributed to easy access to e-visas and government schemes, as, of the total foreign visitors, over 2.5 million arrived on an e-tourist visa – a growth of 24%. Top countries for inbound arrivals in 2019 include Bangladesh(12%), United States of America (9%), United Kingdom (6%), Canada (2%) and Australia(2%). In its latest report on the Tourism and Hospitality industries, the India Brand Equity Foundation projects that number of Foreign Tourist Arrivals in India will surpass 30 million by 2028, although Domestic tourism for the hospitality sector has equally continued to gain importance, being a significant generator of revenue. India's ranking in the Travel and Tourism Competitiveness Index (TTCI) of the World Economic Forum has moved from 65 in 2013 to 34 in 2019. The government has adopted the development of thematic circuits comprising 77 projects under the 'Swadesh Darshan Scheme' for an amount of Rs. 6,035.70 Crore.

Tourism & Hospitality - Trends and Opportunities for Growth:

The past decade saw a substantial increase in hotel rooms in India and with a corresponding increase in demand, room rates and occupancies improving gradually till reaching a peak in 2018-19. The impact of COVID-19 on the hospitality sector is likely to constrain supply in the near term, which is expected to trigger growth in occupancy levels and rates once consumer and business confidence returns post this crisis. India's tourism sector was, not long ago, projected to reach US$95.3 billion by 2028. Given the current circumstances, it may however be early to assess the possible impact of COVID-19 on future capital investments in the sector and whether the projects that are under planning or in the initial stages of development will still be developed.

We believe that with the demographic dividend of the country, the vast and widespread

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

Financial and Operating Performance

The average occupancy of hotels of the Company i.e. 'The Orchid, Mumbai', was around 78% and' VITS Mumbai was around 74%. The Average Room Rate, during the year under review, was at Rs. 5,950 at The Orchid, Mumbai as compared to Rs. 6,108 in the previous year and at Rs. 4,477 at VITS, Mumbai as compared to Rs. 4,404 in the previous year.

The Revenue and Profitability would have been higher had there not been the outbreak of the COVID-19 pandemic in the 4th quarter of the Financial Year.

A note on the impact of COVID-19 on the Company's operations is provided at Note No. 55 of the Notes to the Accounts.

The Company has approached its secured lenders and requested for time to service its debt obligations in view of challenges in the cash flow caused by COVID-19. Also refer note 26.7(b) of the standalone financial statements.

The Company and the Hotels have taken various initiatives to protect the Health and Safety of Guests and Employees. All precautions based on World Health Organisation Guidelines and directions of the Central and State Governments have been implemented and are being strictly adhered to. The exhaustive measures introduced at Hotels have been published on the website of Kamat Hotels (India) Limited.

The Company continues to be largely engaged in hospitality and related businesses.

Internal Control Systems And Their Adequacy

Adequate internal controls have been laid down by the Company to safeguard and protect its assets as well as to improve the overall productivity of its operations. The Internal Audit Department of the Company together with Internal Auditors, M/s. Mazers& Associates LLP Chartered Accountants, Mumbai, M/s. R. D. A. and Associates, Chartered Accountants, Bhubaneswar, ensures compliance with the prescribed internal control procedures. Internal audits are carried out at regular intervals and the audit reports are periodically laid before the Audit Committee for review. The Company's internal controls are in line with the requirements of the Company, however, in view of achieving excellence the systems are regularly updated as per the changing needs of the business.

Internal Financial Controls (IFC)

The Directors have devised a framework for Internal Financial Controls to be followed by the Company that conforms to the requirements of Section 134(5)(e) of the Companies Act, 2013 and incorporates measures that ensure adequate and continuing operating effectiveness of internal financial controls.

Furthermore, in accordance with Section 149(8), read with the Code for Independent Directors laid down under Schedule IV, Clause II (4) of the Companies Act, 2013, the Independent Directors have satisfied themselves on the integrity of financial information and have ensured that Financial Controls and systems are robust and secure.

In order to enable the Directors to meet these responsibilities, the Board has devised the necessary systems, frameworks and mechanisms within the Company. The Board has empowered the Audit Committee to periodically review and confirm that the mechanism remains effective and full fill the objectives for which they have been created.

Human Resources And Industrial Relations

Given the highly specialized nature of the Company's business and the large number of locations where it operates, attracting and nurturing the right talent is at the core of your Company's strategy for success and growth. The company's believe in employing the right talent and nurture and polish them vis-à-vis to Company's vision and mission, significant improvements were made in the recruitment process in the form of standardized pre-employment evaluation as well as interview and assessment processes across locations based on the job profile.

Towards this end, it also institutionalized internal job posting to provide employees opportunities to grow with the organisation. During the year there were 1,028 employees on the pay roll of the Company. Constant efforts are being made to motivate the employees for coming with innovative ideas which may result into improving the operational efficiency, cost rationalization etc. All efforts are made to retain the right talent and also to recognize the talent of employees.

Cautionary Statement

Statements contained in the Management Discussion and Analysis describing the Company's estimates, projections and expectations are forward looking statements and based upon certain assumptions and expectations of future events over which the Company has no control and which could cause actual results to differ materially from those reflected in such statements. Readers should carefully review other information in this Annual Report and in the Company's periodic reports. The Company undertakes no obligation to update or revise any of these futuristic statements, whether as a result of new information, future events, or otherwise.

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

ANNEXURE 'G' TO THE BOARD'S REPORT

REPORT ON CORPORATE GOVERNANCE

A report on Corporate Governance framework at Kamat Hotels (India) Limited ('KHIL') for the financial year ended 31st March, 2020 on thecompliance by the Company with the Corporate Governance requirements under the Securities and Exchange Board of India (Listing Obligations

and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations'), is furnished below.

COMPANY'S PHILOSOPHY:

At KHIL, Corporate Governance is not only a set of processes to be complied with but is an integral part of our core values which drives us towards enhancing the interests of all our stakeholders. Your Company strongly believes in adopting and adhering to good corporate governance practiceswhich are even embedded into the culture of the Organisation which helps us to work in more responsible manner.

1. **BOARD OF DIRECTORS:**

a. **Composition of Board of Directors**

The Composition of the Board of Directors is in conformity with Regulation 17 of the Listing Regulations and Companies Act, 2013. The Board has an optimum combination of Executive and Non-Executive Independent Directors including one Woman Director. Dr. VithalV. Kamat is the Executive Chairman and Managing Director of the Company. The Board of your company is a replica of finest blend of eminent personalities in their respective fields like hoteliering, business management, environment and general administration.

This combination has helped the Company to take the benefit of rich experience and expertise of the directors in their core areas of competence. The following table gives information about the composition of the Board, category of directors, membership of the directors in the Board and Board committees of other public limited companies and attendance of each director at the Board meetings and last Annual General Meeting ('AGM') of the Company:

Name	Designation and category	**Board membership in other Companies**	**Chairmanship of committees in other Companies**	**Membership (including Chairmanship) of committees in other Companies**	**No. of Board Meetings of the Company attended**	**Last AGM Attendance (Yes/No)**
Dr. Vithal V. Kamat	Executive Chairman & Managing Director (Promoter)	5	0	0		Yes
Mr. Dinkar D. Jadhav	Independent Non-Executive Director	1	0	0		Yes
Himali H. Mehta*	Independent Non-Executive Director	0	0	0		Yes
Mr. Bipinchandra C. Kamdar	Non Executive Director	1	0	0		NO
Mr. Ramnath P Sarang	Independent Non-Executive Director	1	0	0		Yes
Mrs. Harinder Pal Kaur**	Independent Non-Executive Director	NA	0	0		NA
Mr. Sanjeev Badriprasad Rajgarhia***	Non Executive Director	NA	0	0		NA

*Resigned w.e.f. 18th February, 2020
** Appointed w.e.f 15th May, 2020
*** Appointed w.e.f. 28th August, 2020

Notes:

a. It excludes private limited company which is neither a subsidiary nor a holding company of a public company, non – profit companies registered under section 8 of the Companies Act, 2013 (Section 25 of the Companies Act, 1956), unlimited companies.

b. It includes Chairmanship/ Membership in those committees which are prescribed under Regulation 26(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 viz; Audit Committee and Stakeholders' Relationship Committee of Indian Public Limited companies.

c. No independent director of the Company is serving as independent director in more than seven listed companies and is not a whole time director in any listed company.

d. None of the directors on the Board of the Company is a member of more than ten committees or acts as chairman of more than five committees across all public limited companies, whether listed or not.

b. **Board Meetings**

During the financial year under review, your Board of Directors met four times which is in conformity with the statutory requirement.

The maximum time gap between any two board meetings was not more than 120 days. Leave of absence was granted to Directors on the request of the Director who could not attend the Board meetings. None of the directors remained absent from all the BoardMeetings during a period of twelve months with or without leave of absence of the board.

Date of Board Meetings	**Number of Directors Present at the Meeting**
27th May, 2019	**5**
5th August, 2019	**5**
12th November, 2019	**4**
21st January, 2020	**5**

c. **Board Meeting Procedure and Decision Making**

A list of pre-scheduled Board Meeting is circulated in advance, the date of which is decided in consensus of all the Board Members. In case of the matters requiring utmost priority and which can't be further postponed till the next scheduled meeting, additional Board Meetings are convened to address such important matters. Agenda with respect to the meetings are circulated in advance along with the presentation, if any, to be made at the Board Meeting. Agenda comprises of the routine and non-routine matters.

Any matter requiring the approval of the Board is included in agenda of the Board Meeting on the request made by the functional head to the Company Secretary. A detailed presentation is made at the Board meeting and after detailed analysis and deliberation on the presented agenda item the Board takes well informed decisions.

d. **Matters dealt/reviewed at Board Meetings:**

The Board of Directors in its meetings inter-alia focuses mainly on following aspects viz. reviewing and guiding the Corporate Strategy, Risk Policy, Annual Budgets and Business Plans, Setting Performance Objectives, Monitoring Implementation and Corporate Performance,overseeing major capital expenditure, monitoring the effectiveness of governance practices and also deals with important issues relating to business development, internal controls, regulatory compliances, board remuneration with the long term interest of the Company and its shareholders, ensuring a transparent board nomination process with diversity of thought, experience, knowledge,perspective and gender in the board, monitoring and managing potential conflicts of interest of management, board members and share holders etc.

e. **Board Evaluation**

Performance evaluation of all the Directors, Board as a whole, and of its committee is undertaken annually as prescribed under the Act and Listing Regulations.

Separate sets of detailed questionnaires is circulated to all the Directors comprising various different questions in order to assess the quality, quantity and efficiency of the Board Committees and Directors,

Evaluation of Board is broadly based on factors like quality of discussion, transparency and timeliness of the information, adhering to good corporate governance practices etc.

The individual Directors are evaluated on factors like leadership quality, attitude, initiatives and responsibility undertaken, decision making, commitment and achievements during the financial year.

f. **Disclosure of relationship between Directors:**

There is no interrelationship between Directors.

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

The Company constantly endeavours to familiarize its Independent Director on the functioning of the Company, so that their expertise can be utilized for the good of the Company. In this view the Company has conducted Familiarization Programmes to familiarize the Independent Directors of the Company. Details of the same are disclosed on the website of the Company and the web link of the same ishttp://www.khil.com/investors/policies.html.

3. **COMMITTEES OF THE BOARD:**

The Board has constituted the following committees in conformity with the applicable statutory requirements and the Listing Regulations applicable to the Company.

a) **AUDIT COMMITTEE**

The Company has set up a qualified and independent Audit Committee. The present Chairman of the Committee is Mr. Dinkar D. Jadhav, Non- Executive Independent Director.

The other Members of Audit Committee comprises:

1. Ms. Himali H. Mehta, Non- Executive Independent Director; (resigned on 18th February, 2020)
2. Mr. Ramnath P. Sarang, Non- Executive Independent Director;
3. Mr. Bipinchandra C. Kamdar, Non- Executive Director
4. Mr. Sanjeev Badriprasad Rajgarhia (appointed on 28th August, 2020)
5. Mrs. Harinder Pal Kaur (appointed on 15th May, 2020)

Out of 5 members 3 members of the Audit Committee are independent directors. All the members of the committee are financially literate and at least one member of the committee has accounting and related financial management expertise.

The composition and terms of reference of this Committee is in compliance with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company Secretary acts as a Secretary to the Audit Committee.

During the year under review four meetings of the Audit Committee were held on 27th May, 2019,5th August, 2019,12th November, 2019 and 21st January, 2020

Attendance of the committee members at its meetings are as follows

Sr. No.	Name of th Member	Category	Meetings attended
1	Mr. S. S, Thakur(1)	Chairman	1
2	Mr. Dinkar D. Jadhav (2)	Member	4
3	Himali H. Mehta(3)	Member	3
4	Mr. Bipinchandra C. Kamdar	Member	4
5	Mr. Ramnath P. Sarang	Member	3

(1) Resigned w.e.f. 27th May, 2019

(2) Appointed Audit Committee chairman on 27th May, 2019

(3) Resigned w.e.f. 18th February, 2020

The maximum time gap between any two committee meetings was not more than 120 days.

There has been no instance where the Board of Directors of the Company had not accepted any recommendation of the Audit Committee.

The Statutory Auditors, Internal Auditors, Chief Financial Officer and Vice President – Finance attend the meetings of the Audit Committee upon invitation.

Mr. Dinkar D. Jadhav, Chairman of Audit Committee was present at the 33rd Annual General Meeting.

b) **NOMINATION AND REMUNERATION COMMITTEE**

The Company has through its Board of Directors, constituted a Nomination and Remuneration Committee comprising of four directors.

The present Chairman of the Committee is Mr. Dinkar D. Jadahv, Non Executive Independent Director.

The other Members of Nomination and Remuneration Committee comprises:

1. Ms. Himali H. Mehta, Non- Executive Independent Director; (resigned on 18th February, 2020)
2. Mr. Ramnath P. Sarang, Non- Executive Independent Director;
3. Mr. Bipinchandra C. Kamdar, Non- Executive Director
4. Mrs. Harinder Pal Kaur (appointed on 15th May, 2020)

Out of 4 members 3 members of the Nomination & Remuneration Committee are Independent Directors.

The composition and terms of reference of this Committee is in compliance with the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations. The Company Secretary acts as Secretary to the Nomination and Remuneration Committee.

During the year under review meeting of the Nomination and Remuneration Committee was held on 27th May, 2019. Attendance of the Committee members at its meetings are as follows:

Sr. No.	Name of th Member	Category	Meetings attended
1	Mr. S. S, Thakur(1)	Chairman	1
2	Mr. Dinkar D. Jadhav (2)	Member	1
3	Himali H. Mehta(3)	Member	1
4	Mr. Bipinchandra C. Kamdar	Member	1
5	Mr. Ramnath P. Sarang	Member	1

(1) Resigned w.e.f. 27th May, 2019

(2) Appointed Nomination and Remuneration Committee chairman on 27th May, 2019

(3) Resigned w.e.f. 18th February, 2020

The present Chairman of the Committee is Mr. Dinkar D. Jadahv, Non Executive Independent Director.

c) **STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Company has through its Board of Directors, constituted a Stakeholders Relationship Committee comprising of three Directors. The present Chairman of the Committee is Mr. Dinkar D. Jadhav, Non- Executive Independent Director.

The other Member of Stakeholders Relationship Committee comprises:

a) Mr. Bipinchandra C. Kamdar, Non- Executive Director

b) Mr. Ramnath P. Sarang - Non- Executive Independent Director

The composition and terms of reference of this Committee is in compliance with the requirements of Section 178 of the Companies Act, 2013 and Listing Regulations. The Company Secretary acts as Secretary to the Stakeholders Relationship Committee.

All share related issues are handled and resolved by the Share Transfer Committee. However, exceptional cases, if any, are referred to the Stakeholders Relationship Committee.

During the year, all the complaints received from the shareholders are redressed to satisfaction. There were no complaints outstanding as on 31st March, 2020. No request for transfer and dematerialization were pending for approval as on 31st March, 2020.

The Registrar and Share Transfer Agents (RTA), M/s. Link Intime India Private Limited, attend to all grievances of shareholders received directly or through Securities and Exchange Board of India, Stock Exchanges or the Ministry of Corporate Affairs.

The Company maintains continuous interaction with the RTA and takes proactive steps and actions for resolving shareholder complaints/ queries.

During the year under review meeting of the Stakeholders Relationship Committee were held on 27th May, 2019. Attendance of the Committee members at its meetings are as follows:

Sr. No.	Name	Category	Meeting attended
1	Mr. Dinkar D. Jadhav	Chairman	1
2	Mr. Bipinchandra C. Kamdar	Member	1
3	Mr. Ramnath P. Sarang*	Member	1

• Appointed w.e.f 27th May, 2019

Mr. Dinkar D. Jadhav, Chairman of Stakeholders Relationship Committee was present at the32nd Annual General Meeting.

d) **CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**

The composition of Corporate Social Responsibility Committee (CSR) is as per the requirement of the Act.

The terms of reference of the CSR Committee are in compliance with the terms of reference provided under Section 135 of the Companies Act, 2013.

The meeting of the Corporate Social Responsibility Committee was held on 27th May, 2019, during the financial year 2019-20.

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

Sr. No.	Name of th Member	Category	Meetings attended
1	Mr. S. S, Thakur(1)	Chairman	1
2	Mr. Dinkar D. Jadhav (2)	Member	1
3	Himali H. Mehta(3)	Member	1
4	Mr. Bipinchandra C. Kamdar	Member	1
5	Mr. Ramnath P. Sarang	Member	1

(1) Resigned w.e.f. 27th May, 2019

(2) Appointed CSR Committee chairman on 27th May, 2019

(3) Resigned w.e.f. 18th February, 2020

The Company Secretary act as secretary of the CSR Committee

e) **MEETING OF INDEPENDENT DIRECTORS**

The Company's Independent Directors met once during the financial year 2019-20 without the presence of Executives. Such meeting were conducted to enable the Independent Directors to discuss matters pertaining to the Company's affairs.

f) **PERFORMANCE EVALUATION CRITERIA FOR DIRECTORS**

Nomination and Remuneration Committee has devised criteria for evaluation of the performance of the Directors including Independent Directors. The said criteria provides certain parameters like attendance, acquaintance with business, communicate interse board members, effective participation, domain knowledge, compliance with code of conduct, vision and strategy, benchmarks established by global peers etc., which is in compliance with applicable laws, regulations and guidelines.

4. **DETAILS OF REMUNERATION PAID/TO BE PAID TO THE EXECUTIVE DIRECTOR DURING THE FINANCIAL YEAR 2019-20 :**

Remuneration paid/to be paid to the Executive Director is recommended by the Nomination and Remuneration Committee, approved by the Board and is subject to the overall limits as approved by the Shareholders.

Name of the Director & Designation	Salary (Rs.)	Perquisites (including club fees)	tenure/ Notice period / Severance fees
Dr. Vithal V. Kamat, Executive Chairman and Managing Director	96,00,000	1,97,456	Tenure: 1st October, 2019 to 30th Setpember, 2022

- No payment of commission to the Executive and Non-Executive Directors was made for the period from 1st April, 2019 to 31stMarch, 2020.
- The Company do not have any Stock Option plan.
- Notice period six months.
- There is no separate provision for severance fees.
- None of the non executive Directors have any pecuniary relationship with the Company other than sitting fees.
- The Company has paid remuneration to Dr. Vithal V. Kamat, Executive Chairman and Managing Director for the financial year ended 31st March 2020 which is in excess of the limits prescribed under section 197 of the Companies Act, 2013 (read with Schedule V) by Rs. 41.94 lakhs which was highlighted by the Auditors in the Board Meeting held on 30th July, 2020 and the waiver of the same was subject to approvals from secured lenders and the members.

  However, subsequent to the approval of audited accounts for the year ended 31st March, 2020, based on the discussions held by the management with the secured lenders, at the meeting of the Board of Directors held on 28th August, 2020, the Board decided not to approach lenders for their NOC which is a prime condition before approaching members for waiver and instead directed to start the recovery process from Dr. Vithal V. Kamat and until the sum is fully recovered, Dr. Vithal V. Kamat shall hold the excess payment of remuneration in trust for the Company.

5. **DETAILS OF SITTING FEES PAID, SHARES AND CONVERTIBLE INSTRUMENTS HELD BY/TO NON-EXECUTIVE DIRECTORS:**

Name of the Director	Amount in Rs.	Number of Shares and Non- Convertible Instruments
Mr. Dinkar D. Jadhav	1,90,000	NIL
Himali H. mehta	1,40,000	NIL
Mr. Binpinchandra . C. Kamdar	1,90,000	NIL
Mr. Ramnath P. Sarang	1,20.000	NIL
Mr. S. S. Thakur	60,000	NIL
Total	7,00,000	

Notes:

a) No Bonus, stock options, or performance linked incentives were provided to any of the Directors of the Company during the period from 1st April, 2019 to 31st March, 2020

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

Particulars	FY 2016-17 AGM	FY 2017-18 AGM	FY 2018-19 AGM
Date	22nd September, 2017	26th September, 2018	18th September, 2019
Location	Vishal Hall", Hotel Highway Inn, Sir M. V. Road (Andheri Kurla Road), Near Railway Station, Andheri (East), Mumbai – 400 069.	Vishal Hall", Hotel Highway Inn, Sir M. V. Road (Andheri Kurla Road), Near Railway Station, Andheri (East), Mumbai – 400 069.	Vishal Hall", Hotel Highway Inn, Sir M. V. Road (Andheri Kurla Road), Near Railway Station, Andheri (East), Mumbai – 400 069.
Time	11.30 a.m.	11.30 a.m.	11.00 a.m.

- No special resolution was passed at the Annual General Meeting held on 22nd September, 2017.
- Seven Special Resolutions were passed at the Annual General Meeting held on 26th September, 2018 as under:

1. Re-Appointment of Mr. Dinkar D. Jadhav as an Independent Director.
2. Re-Appointment of Ms. Himali H. Mehta as an Independent Director.
3. Approval for continuation of holding of office of Non-Executive Director of the Company by Mr. Bipinchandra C. Kamdar under Regulation 17 (1A) of SEB`I (LODR) Regulations, 2015.
4. Making loan/invest/provide guarantees/security upto an amount not exceeding Rs. 1,000 crores
5. Creating charge on the assets of the Company.
6. Approve related party transactions.
7. Approval of continuation of Directorship of Mr. S. S. Thakur who was appointed as Independent Director for a period of 5 years from 24th September, 2016 to 23rd September, 2021 who is 88 years, for the remaining period of his existing term of Directorship and Two Special Resolutions were passed at the Annual General Meeting held on 18th September, 2019.

1. Re-appointment of Dr. Vithal V. Kamat as an Executive Chairman and Managing Director of the Company for a period of three years w.e.f. 1st October, 2019 to 30th September, 2022.
2. Re-Appointment of Mr. Ramnath Sarang as an Independent Director

Postal Ballot

On 30th July, 2018 the Company has sought approval from the shareholders by way of Postal Ballot pursuant to Section 110 of the Companies Act, 2013. Details relating to resolutions passed, procedure for Postal Ballot, Scrutinizer's Report are placed on the website of the Company; www.khil.com.

Further as on date this report, no Special Resolution is proposed to be through Postal Ballot.

7. **SUBSIDIARY COMPANIES:**

Mr. Dinkar D. Jadhav, an Independent Director of the Company was appointed as a Director on the Board of Directors of the non listed Indian subsidiary of the Company i.e Orchid Hotels Pune Private Limited with effect from 31st October, 2013. It is pertinent to mention that as per the provisions of the Listing Regulations, Orchid Hotels Pune Private Limited has ceased to be material subsidiary of the Company.

However, Mr. Dinkar Jadhav, Independent Director of the Company continues to be Director on the Board of Directors of Orchid Hotels Pune Private Limited.

The Audit Committee reviews the financial statements of the Subsidiary Companies.

The minutes of the Board meetings of all the subsidiary companies are periodically placed before the meetings of the Board of Directors of the Company. All significant transactions and arrangements by the unlisted subsidiaries of the Company are brought to the attention of the Board of the Company.

o Financial statements, in particular investments made by subsidiary companies, are reviewed quarterly by the Company's Audit Committee.

o Minutes of Board meetings of subsidiary companies are placed before the Company's Board regularly.

o A statement containing all significant transactions and arrangements entered into by subsidiary companies is placed before the Company's Board.

The Company has formulated a policy for determining 'material' subsidiaries of the Company and the policy is disclosed on the website of the Company and its web link is http://www.khil.com/investors/policies.html

8. **DISCLOSURES:**

CEO and CFO Certification:

The Executive Chairman and Managing Director and Chief Financial Officer (CFO) have given a certificate to the Board contemplated with Regulation 17(8) of Listing Regulations as enclosed as "**Annexure H**".

Related Party Transactions:

During the year under review, the Company had entered into transaction of material nature with its related parties, however, the same may not have potential conflict with the interest of the Company. The Company had formulated a policy for Related Party Transactions and thesame is disclosed on the website of the Company at http://www.khil.com/investors/policies.html

Compliance:

Compliance with Mandatory Requirements:

Your Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance.

Compliance with Non- Mandatory Requirements:

The Company has also adopted the non mandatory requirement as specified in the Listing Regulations regarding unmodified financial statements.

The Company has complied with various rules and regulations prescribed by SEBI or any the statutory authorities relating to the capital market.

Whistle Blower/Vigil Mechanism:

The Company has established a Vigil Mechanism for directors and employees to report genuine concerns. The Vigil Mechanism enable the Directors, employees and all stakeholders of the Company to report genuine concerns and adequate safeguards against victimization ofperson who use Vigil Mechanism and make provision for direct access to the Chairman of the Audit Committee.

There are no instance were personnel has been denied access to the Audit Committee.

The detail of Vigil Mechanism is displayed on the website of the Company www.khil.com and its web link is http://www.khil.com/investors/policies.html

Code of Conduct:

The Board of Directors has laid down a “Code of Conduct” (Code) for all the Board members and the senior management personnel of the Company and this Code is posted on the website of the Company. Annual compliance declaration is obtained from every person covered by the Code.

Risk Management:

The Company has a well- defined Risk Management Policy which helps to identify, manage and mitigate business risks. The Board andAudit Committee periodically discusses the significant business risk identified by Management and reviews the measures taken for mitigation. A note on identification and mitigation of risks is included in Management Discussion and Analysis annexed to the Board’s Report.

Reconciliation of Share Capital Audit Report

In terms of the provisions of Clause 55A of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, Reconciliation of Share Capital Audit is carried out on a quarterly basis by a Practicing Company Secretary with a view to reconcile the total admitted capital with National Securities Depository Limited (“NSDL”) and Central Depository Services (India) Limited (“CDSL”) and those held in physical form with the total issued, paid up and listed capital of the Company. The audit report, inter alia, confirms that the Registerof Members is duly updated and that demat/remat requests were confirmed within stipulated time etc. The said report is also submitted to BSE Limited and National Stock Exchange of India Limited.

Prohibition of Insider Trading:

With a view to regulate trading in securities by the directors and designated employees, the Company has adopted a Code of Conduct for Prohibition of Insider Trading. (inserted by SEBI (Prohibition of Insider Trading) (amendment) Regulations, 2018 (w.e.f. 1ast April, 2019)

9. MEANS OF COMMUNICATION:

The Company believes in disseminating the crucial information to its shareholders at earliest either by way of Stock Exchange communication or by posting it on the website of the Company. This highlights the importance of two way communication.

Quarterly Results:

Quarterly, half-yearly and annual financial results of the Company are published in English Daily Free Press Journal, “Financial Express” Mumbai and Marathi Daily Loksatta and Navshakti (Maharashtra edition). The results are submitted to the Stock Exchanges and aresimultaneously posted on the website of the Company.

Website:

The Company's website (www.khil.com) maintains a dedicated section pertaining to 'Investors' which serves as one stop station for all the shareholders information. The website is maintained and regularly updated in compliance with Regulation 46 of the Listing Regulations.

Annual Reports:

The Company's Annual Report is circulated to the members either in physical form or through e-mail (whose e-mail id is registered). The Annual Report of the Company is also made available on website of the Company i.e. www.khil.com. Any shareholder who intends to obtain the physical copy of Annual Report or requires any necessary information can contact the Company Secretarial Department for necessary information through the following routes:

Telephone No.: 022 26164000, **Email id**: cs@khil.com ,**Website:** www.khil.com.

10. GENERAL SHAREHOLDERS INFORMATION

a. Company Registration details: The Company is registers in the State of Maharashtra, India. The Corporate Identification Number (CIN) of the Company is L55101MH1986PLC039307.

b. Annual General Meeting Date: 29th September, 2020 at 11.00 a.m. through"Video Conferencing (VC) or Other Audio Visual Means (OAVM)

c. Tentative Financial Calendar

Audited Annual Accounts for the year 2019-20	30th July, 2020
Unaudited 1st quarter Results (June 30, 2020)	2nd week of September, 2020
Annual General Meeting	29th September, 2020
Unaudited 2nd quarter Results (September 30, 2020)	Second week of November, 2020
Unaudited 3rd quarter Results (December 31st 2020)	Second week of February, 2021
For the year ending 31st March, 2021	Audited Financial Results will be declared within 60 days from the end of F. Y. 2020-21

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

d. Dates of book closure: from Tuesday, 22nd September, 2020 to Tuesday, 29th September, 2020

e. Dividend payment date for Dividend 2019-20: -N.A.

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

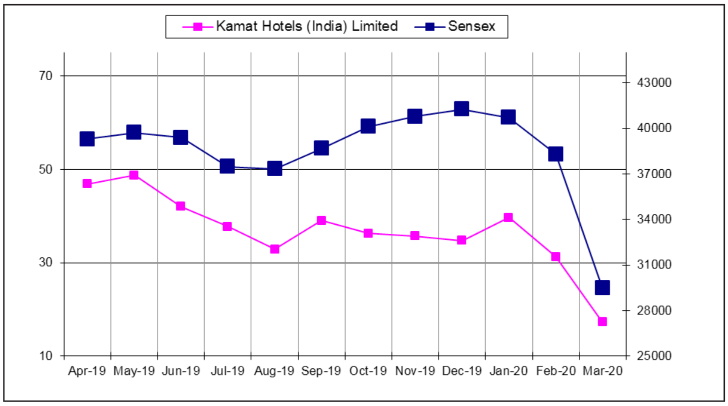
g. The Company has paid listing fee to all the Stock Exchanges for the financial year 2019-20.

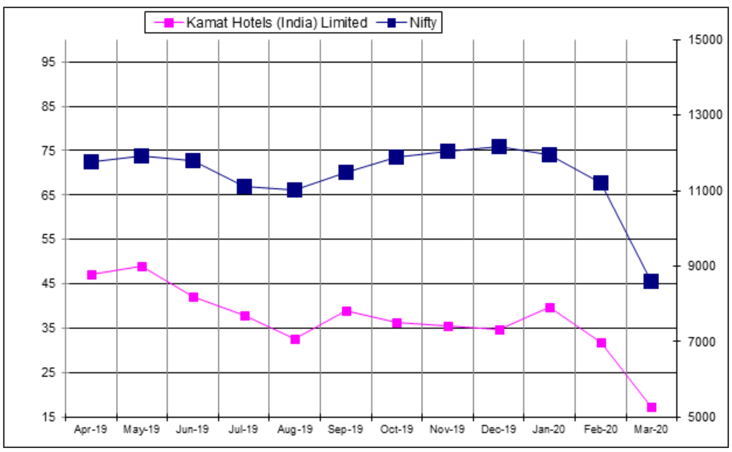
h. Stock Market Price Data

(Figures in Rs.)

Month	**Bombay Stock Exchange Limited**			**National Stock Exchange of India Limited**		
	High	Low	Monthly volume	**High**	Low	Monthly volume
April-19	53	46.45	1,66,212	52.70	46.25	11,67,299
May-19	53	41.50	1,32,853	53.20	46.10	7,31,100
June-19	49.95	41	64,091	50	41	4,13,629
July-19	44	35	50,687	43.70	35.55	5,75,499
Aug-19	39.50	27.35	78,247	41.90	27.80	5,56,758
Sept-19	46.25	30.40	2,81,352	46.30	31	31,89,929
Oct-19	39.90	33.15	1,46,302	35.65	33.85	9,87,971
Nove-19	39	33.80	88,519	39	33.70	12,32,888
Dece-19	37.35	31.70	1,31,832	37.20	31.60	11,81,318
Jan-20	43.30	33	2,27,497	44	32.40	32,95,209
Feb-20	40.25	31	74,331	40.35	30.45	10,44,285
March-20	33.45	14.15	95,633	34.40	14.05	9,23,127

i. Performance in comparison





j. Liquidity

As seen from the above table the shares of the Company are actively traded on the BSE and NSE.

k. Registrars and Share Transfer Agents
Link Intime India Pvt. Ltd.,
C-101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai-400083,
Tel No. 022 49186270 and Fax No. 022 49186060
Email : rnt.helpdesk@linkintime.co.in
Website :www.linkintime.co.in

For any queries, investors are requested to get in touch with the Registrars and Share Transfer Agents at the address mentioned above or office of the Company Secretary at the Registered Office of the Company.

l. Transfer Committee constituted by the Board considers and approves all physical form shares related issues, transfers,transmission, transposition, remat of shares, deletion of name of deceased shareholder(s) from share certificates, issue of duplicate/renewed/ subdivided/ consolidated/replaced share certificate(s) etc. The transfer formalities are attended to on fortnightly basis by the nominated Registrars & Share Transfer Agents. The members of the Share Transfer Committee are:

Dr. Vithal V. Kamat - Executive Chairman and Managing Director

Mr. Bipinchandra C. Kamdar, Non - Executive Director

The shares are transferred and returned within the minimum stipulated period provided all the necessary documents are found in order.

m. SEBI Complaints Redress System (SCORES):

SCORES is a system implemented by SEBI which enables investors to lodge their complaints electronically on the SEBI website. The investor complaints are processed in a centralized web based complaints redressal system. The salient features of this system are centralised database of all complaints, online uploading of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status. All complaints received through SCORES are resolved in a timely manner by the Company, similar to other complaints.

n. NSE Electronic Application Processing System (NEAPS) and BSE Corporate Compliance & Listing Centre (BSE Listing Centre)

NEAPS and BSE Listing Centre are web based application systems for enabling corporates to undertake electronic filing of various periodic compliance related filings like shareholding pattern, results, press releases, etc.

o. Distribution of shareholdings as on 31st March, 2020.

Shareholding Of Nominal Shares			Shareholder	Percentage of Total	Totalshares	Percentage of Total.
1	to	5000	11903	85.3262	15736480	6.6725
5001	to	10000	962	6.8961	7894050	3.3472
10001	to	20000	510	3.6559	7911820	3.3547
20001	to	30000	172	1.233	4366700	1.8515
30001	to	40000	85	0.6093	3087410	1.3091
40001	to	50000	77	0.552	3608480	1.5301
50001	to	100000	111	0.7957	8323110	3.5291
100001	to	**********	130	0.9319	184912530	78.4057
Total			13950	100	235840580	100

Category of Shareholdings as on 31st March, 2020

Category	No. of Equity Shares	% of total paid up capital
Promoter and Promoter Group	1,43,61,960	60.90
Directors and their relatives (other than promoter)	-	-
Mutual Fund	1,000	0.00
Public:		
-Corporate Bodies	10,70,021	4.54
-Individual and other	81,51,077	34.56
Total	2,35,84,058	100

p. Dematerialisation of Shares:

As on 31st March, 2020, 2,32,95,447 equity shares (98.78% of total equity capital) were held in dematerialised form. The relative ISIN NO. allotted to the company is INE967C01018.

q. Outstanding GDRs/ ADRs / Warrants or convertible instruments:

Currently, there are no outstanding FCCB/GDRs/ADRs/Warrants and Convertible instruments.

r. Location of Hotels / Restaurants:

The details of location of Hotels and Restaurants are forming part of this Annual Report.

s. Address for Correspondence

Any query on Annual Report- Secretarial Department, Kamat Hotels (India) Limited, 70-C, Nehru Road, Near Santacruz Airport, Vile Parle (East), Mumbai - 400099, e-mail id- cs@khil.com

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

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

Place: Mumbai
Date: 28th August, 2020

Declaration on Code of Conduct:

It is confirmed that the Board has laid down a Code of Conduct for all Board members and senior management personnel of the Company.

The Code of Conduct has been posted on the website of the Company. It is further confirmed that all the Directors and senior management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended on 31st March,2020, as envisaged in Listing Regulations.

"I hereby confirm that the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation that they have complied with the Codes of Conduct and Ethics for Directors and Senior Management of the Company in respect of the financial year

2019-20."

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

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

Place: Mumbai
Date: 28th August, 2020

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

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

To
The Members of
Kamat Hotels (India) Ltd.
Mumbai

We have examined the compliance of conditions of Corporate Governance by Kamat Hotels (India) Limited ('the Company'), for the year ended on March 31 2020, as stipulated in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI (LODR) Regulations, 2015).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in SEBI (LODR) Regulations, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

V. V. Chakradeo
Membership No.F 3382
COP 1705
UDINF003382B000626488

Place: Mumbai
Date: 28th August, 2020

ANNEXURE “H” TO THE BOARD’S REPORT

MD AND CFO CERTIFICATION

The Executive Chairman and Managing Director and Chief Financial Officer (CFO) have given a following certificate to the Board as contemplated with Regulation 17(8) of Listing Regulations:

Financial Statements and cash flow statement for the year ended on 31 March, 2020.

Pursuant to Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR), we certify that:

A. “We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2020 and that to the best of our knowledge and belief:

  (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

  (2) these statements together present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company’s code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit committee:

  (1) significant changes in internal control over financial reporting during the year;

  (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

  (3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity’s internal control system over financial reporting.

This certificate is given by the undersigned with full knowledge that, on its faith and strength, full reliance is placed by the Board of Directorsof the Company”.

FOR **KAMAT HOTELS (INDIA) LIMITED**
SMITA NANDA
CHIEF FINANCIAL OFFICER

Dr. VITHAL V. KAMAT
(DIN 00195341)
EXECUTIVE CHAIRMAN & MANAGING DIRECTOR

Place: Mumbai
Date: 28th August, 2020

CERTIFICATE OF PRACTICING COMPANY SECRETARY

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

To
The Members of
Kamat Hotels (India) Ltd.

We, V.V. Chakradeo & Co., Practicing Company Secretaries, have examined the Company and Registrar of Companies records, books and papers of Kamat Hotels (India) Ltd. (CIN: L55101MH1986PLC039307) having its Registered Office at 70-C, Nehru Road, Near Santacruz Airport, Vile Parle (East), Mumbai - 400 099, India (the Company) as required to be maintained under the Companies Act, 2013, SEBI Regulations, other applicable rules and regulations made thereunder for the financial yearended on March 31, 2020.

In our opinion and to the best of our information and according to the examinations carried out by us and explanations and representation furnished to us by the Company, its officers and agents, we certify that none of the following Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority as on March 31, 2020:

Sr. No.	Name of the Director	Designation	DIN No
1	Dr. Vithal V. Kamat	Executive Chairman and Managing Director	00195341
2	Mr. Dinkar D. Jadhav	Independent Director	01809881
3	Mr. Bipinchandra C. Kamdar	Non Executive Director	01972386
4	Mr. Ramnath P. Sarang	Independent Director	02544807
5	Himali H. Mehta (Resigned on 18-02-2020)	Independent Director	07037244
6	Mrs. Harinder Pal Kaur (Appointed on 15-5-2020)	Independent Director	02306410
7	Mr. Sanjeev Badriprasad Rajgarhia (Appointed on 28-08-2020)	Non Executive Director	07857384

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

V. V. Chakradeo
Membership No.3382
COP 1705
UDIN: F003382B000626532

Place: Mumbai
Date: 28th August, 2020

Independent Auditors' Report

To,
The Members of
Kamat Hotels (India) Limited
Report on the standalone financial statements

Opinion

We have audited the accompanying standalone financial statements of **Kamat Hotels (India) Limited** (‘the Company’) which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (together referred to as standalone financial statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31st March 2020, and its profit (including other comprehensive income), the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Material uncertainty related to going concern

Reference is invited to note 54 of the standalone financial statements. There are accumulated losses in the Company and current liabilities exceed the current assets as on 31st March 2020 and 31st March 2019. Further, in respect of loans, there are delays in repayment of principal and payment of interest; and instalments of Rs. 1,934.00 lakhs are due and unpaid as at 31st March 2020. In the opinion of the management, considering the future business prospects, management's action to mitigate the impact of COVID-19 as described in note 55 of the standalone financial statements, management's request for seeking extension of the loan dues as stated in note 26.7(b) of the standalone financial statements (also refer para (b) in Emphasis of matter paragraph below) and the fact that the fair values of the assets of the Company are significantly higher than the borrowings/debts, these standalone financial statements have been prepared on a going concern basis which contemplates realisation of assets and settlement of liabilities in the normal course of Company’s business.

Our opinion is not modified in respect of this matter. Further, the material uncertainty related to going concern para was also reported in our independent audit report for financial year 2018-2019 dated 27th May 2019 and financial year 2017-2018 dated 28th May 2018 and our opinion was not modified in the previous years also.

Emphasis of matter

(a) Attention is invited to note 26.5(b) & 43.1 of the standalone financial statements. During the current year, the Company has written back loan amounting to Rs. 2,369.28 lakhs, on account of allocation between the principal amount of loan and interest in respect of installments to be paid by the Company in accordance with modified terms and conditions of the loan as per letter dated 29th January 2020 issued by a lender. Further, the effective interest rate (EIR) has been recomputed based on the revised principal amount. The management is of the view that the de-recognition and consequent the write back of loan and re-computation of EIR has been done in accordance with the qualitative parameters permitted in Ind AS 109 – ‘Financial Instruments’ on the basis of opinion obtained from an expert and its ability to make prepayment of loan. This being a subjective matter, we have relied on the management’s view for the above de-recognition and reversal of liability. The write back of loan is disclosed as exceptional item.

(b) Attention is invited to note 26.7(b) of the standalone financial statements. During the current year, there are delays in repayment of principal, payment of interest and there are unpaid instalments amounting to Rs. 1,934.00 lakhs which were due/overdue as on 31st March 2020. The Company has requested all lenders in the month of March 2020 for the extension of the dues considering the impact on account of COVID-19. We are informed that though written confirmation from all the lenders for extension are awaited, all lenders have agreed for the extension either verbally or has given in principle approval. In view of the above, in the opinion of the management, event of default is not triggered in any case and therefore, there is no other accounting implications and reclassification of non-current borrowings to current liabilities is not required as at 31st March 2020.

(c) Attention is invited to note 46.5 of the standalone financial statements. The Company has paid remuneration to its executive chairman and managing director for the financial year ended 31st March 2020 which is in excess of the limits prescribed under section 197 of the Act (read with Schedule V of the Act) by Rs. 41.94 lakhs; the said excess managerial remuneration is subject to approval of shareholders at the upcoming general meeting.

(d) Reference is invited to note 55 of the standalone financial statements, in respect of the possible effect of uncertainties relating to COVID-19 pandemic on the Company's financial performance as assessed by the management.

Our opinion is not modified in respect of above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the 'Material Uncertainty Related to Going Concern' and 'Emphasis of matter' paragraph section above, we have determined the matters described below to be the key audit matters to be communicated in our report:

Key Audit Matter	**How our audit addressed the Key Audit Matter**
Corporate guarantee given on behalf of wholly owned subsidiary and joint venture entity - accounting treatment Refer note 2.4(x) and 44.3(ii) (a) and (c) of notes to standalone financial statement. The Company has given corporate guarantee on behalf of subsidiary and joint venture entity towards loan facilities from banks.	This matter is discussed with the management. We have relied on the explanations given by the management that with respect to wholly owned subsidiary company, in view of the financial condition of the Company and ongoing discussion with the lenders of the subsidiary, no liability would arise on the Company on account of this guarantee. With respect to the joint venture entity (JV), considering settlement of loan with the lender and expected improvement in financial position of the JV, it would be able to refinance the outstanding debt and meet the debt obligations as and when they fall due. Hence, management is not expecting any obligation required to be accounted out of the financial guarantee given by the Company. This matter has been disclosed in the standalone financial statements as contingent liability.
Write back of loan amounting to Rs. 2,369.28 lakhs and disclosed as exceptional item and recomputation of effective interest rate (EIR): Refer note 26.5(b) & 43.1 of the standalone financial statements. During the current year, the Company has written back loan amounting to Rs. 2,369.28 lakhs recomputed EIR, on account of allocation between the principal amount of loan and interest in respect of installments to be paid by the Company in accordance with modified terms and conditions of the loan as per letter dated 29th January 2020 issued by a lender.	This matter is discussed with the management. We have verified the letter given by the lender for allocation between the principal amount of loan and interest. The management is of the view that the de-recognition and consequent the write back of loan and re-computation of EIR has been done in accordance with the qualitative parameters permitted in Ind AS 109 – 'Financial Instruments' on the basis of opinion obtained from an expert and its ability to make prepayment of loan. We have received the copy of the opinion of the expert. This being a subjective matter, we have relied on the management's view and expert opinion for the above de-recognition and reversal of liability. We have drawn reference of the matter in para (a) of 'Emphasis of Matter' above.

Other matters

Due to COVID-19 related lockdown, we could not be present during physical verification of inventories carried out by management. We have relied on the details provided by the management same and performed alternate procedures to audit the existence of inventory as at year end.

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

Information other than the standalone financial statements and auditor's report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. These reports are expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and make other appropriate reporting as prescribed.

Responsibilities of management and those charged with governance for the standalone financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015 as amended from time to time.

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

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the standalone financial statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that,
   a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c) The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Cash Flow Statement and dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with relevant rules issued thereunder.

e) The matter described in 'Material uncertainty related to going concern' and matters described in para (b) and (d) in 'Emphasis of matter paragraph, in our opinion may have an adverse impact on the functioning of the Company.

f) On the basis of the written representations received from the directors as on 31st March 2020 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2020, from being appointed as a director in terms of Section 164(2) of the Act.

g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

h) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its executive chairman and managing director for the financial year ended 31st March 2020 which is in excess of the limits prescribed under section 197 of the Act (read with Schedule V of the Act) by Rs. 41.94 lakhs; the said excess managerial remuneration is subject to approval of shareholders at the upcoming general meeting [also refer para (c) in Emphasis of matter paragraph above].

i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations, if any, on its financial position in its standalone financial statements - Refer note 15.1 and 44.3(i)of the standalone financial statements.

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Sandeep Shah
Partner
Membership No. 37381
UDIN : 20037381AAAACO3991

Place: Mumbai
Date: 30th July 2020

Annexure A to the Independent Auditor's Report for the year ended 31st March 2020

[Referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date]

i. In respect to fixed assets:

a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) The fixed assets were physically verified by the management subsequent to year end, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such physical verification.

c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed and conveyance deed, we report that, the title deeds, comprising all the immovable properties of land and building which are free hold, are held in the name of the Company as at the balance sheet date except with respect to freehold land situated at Nagpur having gross block of Rs. 134.40 lakhs, same is in the name of the Chairman and executive director of the Company. In respect of title deeds which are deposited with lenders, we have verified the title from photocopies of those agreements and we have relied on certificate provided by the trustees/lenders

The Company also holds immovable properties ("buildings") that have been built on land taken on lease which are disclosed as a part of the property, plant and equipment and investment property of the Company in the standalone financial statements. The lease agreements in these cases are in the name of the Company.

ii. In our opinion, physical verification of inventories has been conducted by the management at reasonable intervals. The discrepancies noticed on such verification by the management, were not material and have been properly dealt with in the books of account.

iii. According to the information and explanation given to us, the Company has not granted loans secured or unsecured to firms, limited liability partnership and other parties. The Company has granted unsecured loan to companies, covered in the register maintained under section 189 of the Act in earlier years. In respect of such loans,

(a) With respect to terms and conditions for loans granted to wholly owned subsidiary companies [Orchid Hotels Pune Private Limited (OHPPL) and Mahodadhi Palace Private Limited (MPPL)] due to adverse factors, which have affected the financial position of these entities, interest is waived off by the Company till the financial position of these entities improves. Further, in view of these developments, the aforesaid loans and outstanding interest thereon had been classified by the Company as doubtful of recovery and provision had been made in the accounts in earlier years. In our opinion, in view of the above, the terms and conditions of the above loans are prejudicial to the interest of the Company.

(b) As mentioned above, interest is waived off by the Company. The terms of the arrangements stipulate that the principal is refundable as and when funds are available with the borrowers. Since the refund of principal is dependent on availability of funds with the borrower, question of our comment on regularity of receipt of principal does not arise.

(c) As stated above, interest is waived off by the Company and considering the terms of repayment of principal, no amounts were dues.

Therefore, the question of our comment on the overdue amount for more than ninety days does not arise.

iv. According to the information and explanation given to us, the Company has not granted any loan or given any guarantee or provided any security to any of its directors or any person connected to directors which attracts the provisions of section 185 of the Act from the date when it became effective. The Company has not granted any loan, made investment, given any guarantee or provided securities from the date when this section become effective for which compliance u/s 186 of the Act is required. In view of the above, our comment on compliance of Section 185 and 186 of the Act is not required.

v. In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of provisions of Section 73 to 76 of the Act and the rules framed there under. We have been informed that no order relating to Company has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

vi. The Central Government has not prescribed maintenance of cost records under section 148(1) of the Act. Accordingly, clause (vi) of paragraph 3 the Order is not applicable to the Company.

vii. In respect of statutory dues:

(a) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of amounts deducted / accrued in the books of accounts, the Company has been generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, cess and any other material statutory dues, as applicable to the Company, during the period with the appropriate authorities except minor delays in payment of professional tax and significant delays in Maharashtra Value Added Tax (MVAT) and Goods and Service Tax (GST). According to the information and explanation given to us, there are no undisputed amounts payable in respect of statutory dues outstanding for more than six months from the date they become payable.

(b) According to the records of the Company and information and explanations given to us, there are no dues of income tax, sales tax, service tax, GST, customs duty, excise duty or cess which have not been deposited with appropriate authorities on account of any dispute except as tabulated under:

Name of the Statute	Nature of the dues	Amount (Rupees in lakhs)*	Period to which it pertains	Forum where dispute is pending
Maharashtra Value Added Tax Act, 2002	MVAT	15.64	2006-07	Joint Commissioner of Sales Tax (Appeals)
	MVAT	12.42	2007-08	Joint Commissioner of Sales Tax (Appeals)
	MVAT	13.95	2008-09	Joint Commissioner of Sales Tax (Appeals)
	MVAT	6.91	2010-11	Joint Commissioner of Sales Tax (Appeals)
	MVAT	274.97	2011-12	Joint Commissioner of Sales Tax (Appeals)
	MVAT	37.09	2012-13	Joint Commissioner of Sales Tax (Appeals)
	MVAT	5.01	2013-14	Joint Commissioner of Sales Tax (Appeals)
Maharashtra Tax on Luxuries Act 1987	Luxury Tax	1.11	2011-12	Joint Commissioner of Sales Tax (Appeals)
	Luxury Tax	13.90	2012-13	Joint Commissioner of Sales Tax (LTU 4)
	Luxury Tax	14.58	2013-14	Joint Commissioner of Sales Tax (LTU 4)
Finance Act, 1994	Service Tax	0.67	2012-13	Commissioner of Service Tax (Appeals)
	Service Tax	0.43	2013-14	Commissioner of Service Tax (Appeals)
	Service Tax	77.54	2014-15	CESTAT, West Zonal Bench – Mumbai
	Service Tax	2.68	2014-15	CESTAT, West Zonal Bench – Mumbai
	Service Tax	28.98	2015-16	Deputy Commissioner Service Tax
	Service Tax	30.40	2016-17	Assistant Commissioner Service Tax
	Service Tax	3.41	2017-18	Assistant Commissioner Service Tax
Income - Tax Act, 1961	Income Tax	5,453.27	2016-17	Commissioner of Income Tax – Appeal

* Net of amount paid under protest of Rs. 22.22 lakhs.

viii. In our opinion and according to the information and explanations given to us, the Company has defaulted in payment of interest and repayment of principal to banks and financial institution during the year as tabulated below:

Sr. No.	Name of the lender (**)	Amount of default- (Rs. in lakhs)	Period of delay	Remarks
1	Phoenix ARC Private Limited (Assigned by Allahabad Bank)(*)	398.00	1 to 96 Days	Principal
		125.37	1 to 32 Days	Interest
2	Asset Reconstruction Company Enterprise Limited (Assigned by Andhra Bank)(*)	362.00	1 to 92 Days	Principal
		138.00	1 to 92 Days	Interest
3	India SME Asset Reconstruction Company Limited (Assigned by Dena Bank)	276.00	1 to 80 Days	Principal
4	Edelweiss Asset Reconstruction Limited (Assigned by Larsen & Toubro Infrastructure Finance Company Limited)	572.00	1 to 58 Days	Principal
5	Asset Reconstruction Company Enterprise Limited (Assigned by State Bank of India)(*)	1,260.00	1 to 92 Days	Principal
		615.00	1 to 92 Days	Interest
6	India SME Asset Reconstruction Company Limited (Assigned by Syndicate Bank)	262.00	1 to 81 Days	Principal
7	Asset Reconstruction Company Enterprise Limited (Assigned by Tourism Finance Corporation of India)(*)	242.00	1 to 92 Days	Principal
		133.00	1 to 92 Days	Interest
8	Invent Assets Securitisation & Reconstruction Private Limited (Assigned by Vijaya Bank)	55.00	1 to 40 Days	Principal

Notes:
(*) Repayment schedule of these loans have been restructured / rescheduled during the year.
(**) The Company has requested all the lenders in the month of March 2020 for the extension of the dues considering the impact on account of COVID-19.

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

ix. The Company has neither raised money by way of initial public offer or further public offer [including debt instruments] & term loans during the year nor does it have opening balance, hence clause (ix) of paragraph 3 of the Order is not applicable.

x. During the course of our examination of the books of account and records of the Company, carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any incidence of fraud by the Company or any fraud on the Company by its employees / officers, nor have been informed of any such case by the management.

xi. In our opinion and according to information and explanation given to us, the remuneration paid by the Company to its executive chairman and managing director for the financial year ended 31st March 2020 which is in excess of the limits prescribed under section 197 of the Act (read with Schedule V of the Act) by Rs. 41.94 lakhs; the said excess managerial remuneration is subject to approval of shareholders at the upcoming general meeting. Also refer note 46.5 of the standalone financial statements.

xii. In our opinion, the Company is not a Nidhi company. Therefore, clause (xii) of paragraph 3 of the Order is not applicable.

xiii. According to the information and explanations given to us and on the basis of our examination of records of the Company, transaction with related parties are in compliance with Section 177 and 188 of the Act, where applicable and details have been disclosed in the standalone financial statements as required under Ind AS 24, Related Party Disclosure specified under section 133 of the Act [Also refer note 46 of standalone financial statements], read with Rule 7 of the Companies (Accounts) Rules 2014.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, question of our comment on compliance with provisions of Section 42 of the Act does not arise.

xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with directors or person connected with director. Therefore, question of our comment on compliance with provisions of Section 192 of the Act does not arise.

xvi. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

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

Sandeep Shah
Partner
Membership No. 37381
UDIN: 20037381AAAACO3991

Place: Mumbai
Date: 30th July 2020

Annexure B to the Independent Auditor's Report for the year ended 31st March 2020

[Referred to in paragraph 2(f) under the heading "Report on other legal and regulatory requirements" of our report of even date]

Report on the Internal Financial Controls under section 143(3)(i) of the Companies Act, 2013 ('the Act')

Opinion

We have audited the internal financial controls over financial reporting of **Kamat Hotels (India) Limited** ("the Company") as of 31st March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Responsibilities of management and those charged with governance for Internal Financial Controls over Financial Reporting

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

The Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. The Company's internal financial control over financial reporting includes those policies and procedures

that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Sandeep Shah
Partner
Membership No. 37381
UDIN : 20037381AAAACO3991

Place: Mumbai
Date: 30th July 2020

KAMAT HOTELS (INDIA) LIMITED

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2020

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

	Particulars	NOTE NO.	As at 31st March 2020	As at 31st March 2019
	ASSETS			
A	**Non-current assets**			
	a) Property, plant and equipment	5	26,376.36	27,175.68
	b) Right of use assets	6	104.17	-
	c) Intangible assets	7	77.22	70.43
	d) Capital work-in-progress	8	521.22	27.34
	e) Intangible assets under development	9	-	3.45
	f) Investment property	10	1,058.19	1,082.50
	g) Financial assets			
	i) Investments in subsidiaries & joint venture	11	4.00	4.00
	ii) Investments	12	15.32	11.02
	iii) Loans	13	1,955.56	1,859.50
	iv) Other non-current financial assets	13A	6.52	6.25
	h) Income tax assets (Net)	14	887.82	1,337.48
	i) Other non current assets	15	3,658.06	3,821.74
	(A)		**34,664.44**	**35,399.39**
B	**Current assets**			
	a) Inventories	16	258.47	268.34
	b) Financial assets			
	i) Investments	17	3.81	5.25
	ii) Trade receivables	18	987.12	1,110.78
	iii) Cash and cash equivalents	19	252.82	357.37
	iv) Bank balances other than (iii) above	20	67.86	77.46
	v) Loans	21	13.52	13.80
	vi) Other current financial assets	22	20.53	14.74
	c) Income tax assets (Net)	22A	231.52	-
	d) Other current assets	23	425.15	382.00
	(B)		**2,260.80**	**2,229.74**
	TOTAL (A + B)		**36,925.24**	**37,629.13**
	EQUITY AND LIABILITIES			
A	**Equity**			
	a) Equity share capital	24	2,417.26	2,417.26
	b) Other equity	25	(1,570.19)	(5,149.28)
	(A)		**847.07**	**(2,732.02)**
	Liabilities			
B	**Non-current liabilities**			
	a) Financial liabilities			
	i) Borrowings	26	18,684.68	24,112.67
	ii) Lease liabilities	27	96.52	-
	iii) Other financial liabilities	28	119.86	110.49
	b) Other non-current liabilities	29	453.32	527.79
	c) Provisions	30	423.05	436.08
	d) Deferred tax liabilities (Net)	31	2,274.66	2,447.21
	(B)		**22,052.09**	**27,634.24**
C	**Current liabilities**			
	a) Financial liabilities			
	i) Trade payables	32		
	- Amount due to Micro and small enterprises		226.24	189.81
	- Amount due to other than Micro and small enterprises		2,236.78	1,765.04
	ii) Lease liabilities	33	16.57	-
	iii) Other financial liabilities	34	9,417.21	8,743.04
	b) Other current liabilities	35	1,992.37	1,888.53
	c) Provisions	36	136.91	140.49
	(C)		**14,026.08**	**12,726.91**
	TOTAL (A+B+C)		**36,925.24**	**37,629.13**
	Significant accounting policies and notes to financial statements	**1 to 58**		

The notes referred to above form an integral part of the standalone financial statements
As per our audit report of even date

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

For and on behalf of the Board of Directors

Sandeep Shah
Partner
Membership No. 37381

Place: Mumbai
Date: 30th July, 2020

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

Dinkar D. Jadhav
Director
(DIN : 01809881)

Smita Nanda
Chief Financial Officer

Shruti Shrivastav
Company Secretary

Place: Mumbai
Date: 30th July, 2020

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

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

	Particulars	NOTE NO.	Year ended 31st March 2020	Year ended 31st March 2019
A	**Income**			
	Revenue from operations	37	17,930.64	19,239.08
	Other income	38	89.99	180.19
	Total income (A)		**18,020.63**	**19,419.27**
B	**Expenses**			
	Cost of materials consumed	39	1,636.02	1,760.37
	Employee benefit expenses	40	4,517.12	4,430.89
	Finance costs	41	3,436.40	2,203.26
	Depreciation and amortisation	5, 6, 7 & 10	1,051.70	1,095.82
	Other expenses	42	6,155.18	6,346.68
	Total expenses (B)		**16,796.42**	**15,837.02**
C	**Profit before exceptional items & tax (A - B) (C)**		**1,224.21**	**3,582.25**
	Exceptional item - income / (expense) - net	43	2,369.28	-
D	**Profit before tax (D)**		**3,593.49**	**3,582.25**
E	**Tax expense:**			
	- Current tax	14	297.75	99.87
	- Deferred tax charge/ (credit)	31	(287.24)	944.78
	- Short / (excess) provision for current tax / deferred tax (net)		13.39	30.64
	Total tax expense (E)		**23.90**	**1,075.29**
F	**Profit after tax (D - E) (F)**		**3,569.59**	**2,506.96**
G	**Other comprehensive income / (loss)**			
	a) (i) Items not to be reclassified subsequently to Statement of Profit and Loss			
	- Remeasurement of defined benefit plans - gain/(loss)		13.40	6.43
	(ii) Income tax relating to items that will be not be reclassified to Statement of Profit and Loss		(3.90)	(1.87)
	b) (i) Items that will be reclassified subsequently to Statement of Profit and Loss		-	-
	(ii) Income tax relating to items that will be reclassified to Statement of Profit and Loss		-	-
	Other comprehensive income for the year (G)		**9.50**	**4.56**
H	**Total comprehensive income for the year (F + G)**		**3,579.09**	**2,511.52**
	Basic and diluted earnings per share	48	15.14	10.63
	Equity shares [Face value of Rs. 10 each]			
	Significant accounting policies and notes to financial statement	**1 to 58**		

The notes referred to above form an integral part of the standalone financial statements
As per our audit report of even date

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

Sandeep Shah
Partner
Membership No. 37381

Place: Mumbai
Date: 30th July, 2020

For and on behalf of the Board of Directors

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

Dinkar D. Jadhav
Director
(DIN : 01809881)

Smita Nanda
Chief Financial Officer

Shruti Shrivastav
Company Secretary

Place: Mumbai
Date: 30th July, 2020

KAMAT HOTELS (INDIA) LIMITED

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020

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

(a) Equity share capital

Particulars	As at 31st March 2020	As at 31st March 2019
Opening balance	2,417.26	2,417.26
Changes in equity share capital during the year	-	-
Closing balance	2,417.26	2,417.26

(Refer note 24)

(b) Other equity

Particulars	Reserves & surplus					OCI*	Total other equity
	Capital Reserve	Capital Redemption Reserve	Securities Premium	Amalgamation Reserve	Retained Earnings	Remeasurement gain/ (loss) of defined benefit plan	
Balance as at 1st April, 2018	13.87	266.50	14,986.74	280.06	(23,218.23)	10.26	**(7,660.80)**
Profit for the year 2018 - 2019	-	-	-	-	2,506.96	-	**2,506.96**
Other comprehensive income/ (loss) for the year (net) -2018-2019	-	-	-	-	-	4.56	**4.56**
Balance as at 31st March 2019	**13.87**	**266.50**	**14,986.74**	**280.06**	**(20,711.27)**	**14.82**	**(5,149.28)**
Profit for the year - 2019 - 2020	-	-	-	-	3,569.59	-	**3,569.59**
Other comprehensive income/ (loss) for the year - 2019-2020	-	-	-	-	-	9.50	**9.50**
Balance as at 31st March 2020	**13.87**	**266.50**	**14,986.74**	**280.06**	**(17,141.68)**	**24.32**	**(1,570.19)**

(Refer note 25)

*Other comprehensive income

The notes referred to above form an integral part of the standalone financial statements
As per our audit report of even date

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

Sandeep Shah
Partner
Membership No. 37381

Place: Mumbai
Date: 30th July, 2020

For and on behalf of the Board of Directors

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

Dinkar D. Jadhav
Director
(DIN : 01809881)

Smita Nanda
Chief Financial Officer

Shruti Shrivastav
Company Secretary

Place: Mumbai
Date: 30th July, 2020

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

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

	Particulars	NOTE	Year ended 31st March 2020	Year ended 31st March 2019
A.	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Profit /(loss) before taxes and other comprehensive income		3,593.49	3,582.25
	Adjustments for:			
	Finance cost		3,436.40	2,203.26
	Interest income		(24.39)	(97.31)
	Depreciation and amortization		1,051.70	1,095.82
	Bad debts written off		13.71	107.88
	(Reversal)/provision for expected credit loss and doubtful debt advances		(47.87)	37.88
	Loss on sale/ discard of fixed assets		1.13	21.38
	Reduction in liability towards long term borrowings (exceptional item) (Refer note 43.1)		(2,369.28)	-
	Dividend income		(0.43)	(0.43)
	Operating profit / (loss) before working capital changes		**5,654.46**	**6,950.73**
	Movements in working capital : [Including Current and Non-current]			
	(Increase) / decrease in loans, trade receivable and other assets		179.71	429.81
	(Increase) / decrease in inventories		9.87	4.05
	Increase / (decrease) in trade payable, other liabilities and provisions		591.85	(70.76)
			6,435.89	**7,313.83**
	Adjustment for:			
	Direct taxes paid (including tax deducted at source) / refund (net)		20.22	(212.52)
	Net cash generated/ (used in) from operating activities…(A)		**6,456.11**	**7,101.31**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Purchase of property, plant and equipment (Including capital work in progress and capital advances)		(720.31)	(307.53)
	Sale of property, plant and equipment		2.33	12.24
	Proceeds from sale/ redemption of investment		-	(0.22)
	Temporary refund received of loan given to wholly owned subsidiary		1,320.00	430.00
	Repayment of temporary refund of loan given to wholly owned subsidiary		(1,320.00)	(430.00)
	Interest income		18.60	92.49
	Dividend income		0.43	0.43
	(Increase)/decrease in bank balance [Current and non-current] (other than cash and cash equivalent)		9.33	(76.69)
			(689.62)	**(279.28)**
	Adjustment for:			
	Direct taxes (paid)/ refund received (including tax deducted at source) - (Net)		(2.44)	(9.73)
	Net cash (used in) / from investing activities… (B)		**(692.06)**	**(289.01)**

KAMAT HOTELS (INDIA) LIMITED

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

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

	Particulars	NOTE	Year ended 31st March 2020	Year ended 31st March 2019
C.	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Proceeds from long term borrowings		-	2,837.34
	Repayment of long term borrowings		(3,210.71)	(8,015.59)
	Net book overdraft (in excess of cash and cash equivalent) (Refer note (ii) below		-	135.74
	Payment of lease liabilities (Refer note 50)		(24.47)	-
	Interest paid (Including other borrowing cost)		(2,480.67)	(2,128.38)
	Net cash (used in) / from financing activities… (C)		**(5,715.85)**	**(7,170.89)**
	Net increase / (decrease) in cash and cash equivalents (A+ B+C)		**48.20**	**(358.59)**
	Cash and cash equivalents at beginning of the year		-	358.59
	Cash and cash equivalents at end of the year		48.20	-
	Net increase / (decrease) in cash and cash equivalents		**48.20**	**(358.59)**

Notes:

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

(ii) Refer note 52 for other cash flow statement related notes.

Significant accounting policies and notes to financial statements **1 to 58**

Notes referred to herein above form an integral part of the standalone financial statements
As per our audit report of even date

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

Sandeep Shah
Partner
Membership No. 37381

Place: Mumbai
Date: 30th July, 2020

For and on behalf of the Board of Directors

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

Dinkar D. Jadhav
Director
(DIN : 01809881)

Smita Nanda
Chief Financial Officer

Shruti Shrivastav
Company Secretary

Place: Mumbai
Date: 30th July, 2020

Notes on Standalone financial statements for the year ended 31st March 2020

1. **Background**

The Company was incorporated on 21st March 1986 under Companies Act, 1956 and is domiciled in India. The registered office of the Company is located at 70 – C, Nehru Road, Near Santacruz Airport, Vile Parle (E), Mumbai – 400 099, India. The Company's shares are listed on two stock exchanges in India. The Company is in the hospitality business. Currently, it has hotels in the states of Maharashtra (Mumbai, Pune, Nashik, Murud), Goa (Benaulim) and Orissa (Puri, Konark).

The financial statements of the Company for the year ended 31st March 2020 were approved and adopted by board of directors of the Company in their meeting held on 30th July 2020.

2. **Basis of preparation**

2.1. Statement of compliance with Ind AS

The financial statements (on standalone basis) of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

2.2. Functional and presentation of currency

The financial statements are prepared in Indian Rupees which is also the Company's functional currency. All amounts are rounded to the nearest rupees in lakhs.

2.3. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal market or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:

Level 1 – Unadjusted quoted price in active markets for identical assets and liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – unobservable inputs for the asset or liability

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy.

Fair values have been determined for measurement and / or disclosure purpose using methods as prescribed in "Ind AS 113 Fair Value Measurement".

2.4. Use of significant accounting estimates, judgements and assumptions

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosure of contingent liabilities as on the date of financial statements and reported amounts of income and expenses for the periods presented. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Significant estimates and critical judgement in applying these accounting policies are described below:

i) Property, plant & equipment, investment property and Intangible assets

The Company has estimated the useful life, residual value and method of depreciation / amortisation of property, plant & equipment, investment property and intangible assets based on its internal technical assessment. Property, plant & equipment, investment property and intangible assets represent a significant proportion of the asset base of the Company. Further, the Company has estimated that scrap value of property, plant & equipment and investment property would be able to cover the residual value & decommissioning costs of property, plant & equipment and investment property.

Therefore, the estimates and assumptions made to determine useful life, residual value, method of depreciation / amortisation and decommissioning costs are critical to the Company's financial position and performance.

ii) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on industry practice, Company's past history and existing market conditions as well as forward looking estimates at the end of each reporting period.

iii) Contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies / claim / litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

iv) Income taxes

Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore, the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the statement of profit and loss.

v) Measurement of defined benefit plan & other long term benefits

The cost of the defined benefit gratuity plan / other long term benefits and the present value of the gratuity obligation / other long term benefits are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation / other long term benefits is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

vi) Loyalty program

The Company estimates the fair value of points awarded under the Loyalty Programme based on past experience of use of points by customers and expected usage in future.

vii) Impairment of investment in subsidiaries and joint venture entity

In the opinion of the management, investments/ advances in subsidiaries are considered long term and strategic in nature and in view of future business growth / asset base, the value of long term investments and loan & advances given are considered good except in case of a subsidiary and joint venture, considering adverse factors which have severely affected its financial position and expansion plans, on a consideration of prudence, provision has been made for impairment of investment/ advances.

viii) Going concern

There are accumulated losses in the Company and current liabilities exceed the current assets as on 31st March 2020 and 31st March 2019. Further, in respect of loans, there are delays in repayment of principal and payment of interest; and instalments of Rs. 1,934.00 lakhs are due and unpaid as at 31st March 2020. In the opinion of the management, considering the future business prospects, management's action to mitigate the impact of COVID-19 as described in note 55 of the standalone financial statements, management's request for seeking extension of the loan dues as stated in note 26.7(b) of the standalone financial statements and the fact that the fair values of the assets of the Company are significantly higher than the borrowings/debts, these standalone financial statements have been prepared on a going concern basis which contemplates realisation of assets and settlement of liabilities in the normal course of Company's business.

ix) Impairment of non-financial assets

The carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of a) fair value of assets less cost of disposal and b) its value in use. Value in use is the present value of future cash flows expected to derive from an assets or Cash-Generating Unit (CGU).

Based on the assessment done at each balance sheet date, recognised impairment loss is further provided or reversed depending on changes in circumstances. After recognition of impairment loss or reversal of impairment loss as applicable, the depreciation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life. If the conditions leading to recognition of impairment losses no longer exist or have decreased, impairment losses recognised are reversed to the extent it does not exceed the carrying amount that would have been determined after considering depreciation / amortisation had no impairment loss been recognised in earlier years.

x) Corporate guarantee:

The Company has given corporate guarantee on behalf of subsidiary and joint venture entity towards loan facilities from banks. This subsidiary and joint venture entity has also given corporate guarantee on behalf of the Company for loan facilities taken by the Company. With respect to subsidiary company, in view of the financial condition of the Company and ongoing discussion with the lenders of the subsidiary, in view of the management estimate, no liability would arise on the Company on account of this guarantee. With respect to the joint venture entity (JV), considering settlement of loan of the lender and expected improvement in financial position of the JV, it would be able to refinance the outstanding debt and meet the debt obligations as and when they fall due.

Hence the financial guarantee obligation is not required to be recognised in financial statements and it has been disclosed as contingent liability [Also refer note 44.3(ii)(a) and (c)].

3. **Significant Accounting Policies**

3.1. Presentation and disclosure of standalone financial statement

All assets and liabilities have been classified as current and non-current as per Company's normal operating cycle and other criteria set out in the division II of Schedule III of the Companies Act, 2013 for a company whose financial statements are made in compliance with the Companies (India Accounting Standards) Rules, 2015.

Based on the nature of service i.e. hospitality and the time between rendering of services and their realization in cash and cash equivalents, 12 months has been considered by the Company for the purpose of current / non-current classification of assets and liabilities.

3.2. Property, Plant and Equipment and Depreciation

Recognition and measurement

Properties plant and equipment are stated at their cost of acquisition. Cost of an item of property, plant and equipment includes purchase price including non-refundable taxes and duties, borrowing cost directly attributable to the qualifying asset, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and the present value of the expected cost for the dismantling/decommissioning of the asset.

Parts (major components) of an item of property, plant and equipments having different useful lives are accounted as separate items of property, plant and equipments.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Capital work-in-progress comprises of cost incurred on property, plant and equipment under construction / acquisition that are not yet ready for their intended use at the Balance Sheet Date.

Depreciation and useful lives

Depreciation on the property, plant and equipment (other than freehold land and capital work in progress) is provided on a straight-line method (SLM) over their useful lives which is in consonance of useful life mentioned in Schedule II to the Companies Act, 2013.

Building on leasehold lands and improvements to building on leasehold land / premises are amortized over the period of lease or useful life whichever is lower.

Leasehold land considered as finance lease is amortized over the period of lease.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted prospectively.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is de-recognised.

3.3. Intangible assets and amortisation

Recognition and measurement

Intangible assets are recognized only if it is probable that the future economic benefits attributable to asset will flow to the Company and the cost of asset can be measured reliably. Intangible assets are stated at cost of acquisition/development less accumulated amortization and accumulated impairment loss if any.

Cost of an intangible asset includes purchase price including non - refundable taxes and duties, borrowing cost directly attributable to the qualifying asset and any directly attributable expenditure on making the asset ready for its intended use.

Intangible assets under development comprises of cost incurred on intangible assets under development that are not yet ready for their intended use as at the Balance Sheet date.

Amortization and useful lives

Computer softwares are amortized in 10 years on straight line basis. Amortisation methods and useful lives are reviewed at each financial year end and adjusted prospectively. In case of assets purchased during the year, amortization on such assets is calculated on pro-rata basis from the date of such addition.

Balance useful life of intangible are reviewed periodically, including at each financial year end.

3.4. Investment property and depreciation

Investment Property is property (land or a building – or a part of a building – or both) held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in production or supply of goods and services or for administrative purposes. Investment properties are stated at cost net of accumulated depreciation and accumulated impairment losses, if any.

Any gain or loss on disposal of investment property calculated as the difference between net proceeds from disposal and the carrying amount of Investment Property is recognized in Statement of Profit and Loss.

Depreciation and useful lives

Depreciation on the investment property (other than freehold land) is provided on a straight-line method (SLM) over their useful lives which are in consonance of useful life mentioned in Schedule II to the Companies Act, 2013.

Building on leasehold lands and improvements to building on leasehold land / premises are amortized over the period of lease or useful life whichever is lower.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted prospectively.

3.5. Inventories

Inventories comprises of stock of food, beverages, stores and operating supplies and are valued at lower of cost (computed on weighted average basis) or net realizable value. Purchase of operating supplies (other than initial acquisition during the pre-commencement of the hotel and commencement of new restaurants / outlets) is charged to statement of profit and loss in the year of consumptions. The Cost comprises of cost of purchases, duties and taxes (other than those subsequently recoverable) and other costs incurred in bringing them to their present location and condition. Cost of inventories is arrived at after providing for cost of obsolescence.

3.6. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government and discounts given to the customers.

(i) Revenue comprises of sale of rooms, banquets, food & beverages and allied services relating to hotel operations. Revenue is recognised upon rendering of service. Sales and services net of indirect taxes and discounts. Revenue yet to be billed is recognised as unbilled revenue.

(ii) Initial non-refundable membership fee is recognised as income over the period of validity of membership which reflects the expected utilization of membership benefits.

(iii) Annual membership fees collected from members [in respect of both under refundable and non-refundable membership scheme] are recognised as income on time proportion basis.

(iv) Management fees under hotel management arrangement are recognised in accordance with terms of the arrangement.

(v) The Company operates loyalty programme, which allows its eligible customers to earn points based on their spending at the hotels. The points so earned by such customers are accumulated. The revenues allocated to award points is deferred and revenue is recognised on redemption of the award points towards the services utilized.

(vi) Dividend income on investments is accounted for in the year in which the right to receive is established, which is generally when shareholders approve the dividend.

(vii) For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the statement of profit and loss.

(viii) Income from rentals are recognized as an income in the statement of profit and loss on a straight-line basis over the lease term.

(ix) Export incentives / benefits

- o Export incentives / benefits are recognised as income in Standalone Statement of Profit and Loss when the right to receive payment/credit is established and no significant uncertainty as to measurability or collectability exists.

3.7. Investment in subsidiaries, associates and jointly controlled entities

The Company's investment in instruments of subsidiaries, associates and jointly controlled entities are accounted for at cost.

3.8. Government grants

Government grants are recognized in the period to which they relate when there is reasonable assurance that the grant will be received and that the Company will comply with the attached conditions. Government grants are recognized in the statement of profit and loss on systematic basis over a period in which the Company recognizes as expenses the related costs for which the grants are intended to compensate.

3.9. Foreign currency transaction

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. As at the Balance Sheet date, foreign currency monetary items are translated at closing exchange rate. Exchange difference arising on settlement or translation of foreign currency monetary items are recognised as income or expense in the year in which they arise.

Foreign currency non-monetary items which are carried at historical cost are reported using the exchange rate at the date of transactions.

3.10. Employee benefits

- Short term employee benefits

  All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss in the period in which the employee renders the related service.

- Post-employment benefits & other long term benefits

  a. Defined contribution plan

  The defined contribution plan is a post-employment benefit plan under which the Company contributes fixed contribution to a Government Administered Fund and will have no obligation to pay further contribution. The Company's defined contribution plan comprises of Provident Fund, Labour Welfare Fund and Employee State Insurance Scheme. The Company's contribution to defined contribution plans are recognized in the Statement of Profit and Loss in the period in which the employee renders the related service.

  b. Post-employment benefit and other long term benefits

  The Company has defined benefit plans comprising of gratuity and other long term benefits in the form of leave benefits and long service rewards. Company's obligation towards gratuity liability is funded plan and is managed by Life Insurance Corporation of India (LIC). The present value of the defined benefit obligations and certain other long term employee benefits [privilege leave and sick leave] is determined based on actuarial valuation using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations.

  For gratuity plan, re-measurements comprising of (a) actuarial gains and losses, (b) the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and (c) the return on plan assets (excluding amounts included in net interest on the post-employment benefits liability) are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Such re-measurements are not reclassified to statement of profit and loss in subsequent periods.

  The expected return on plan assets is the Company's expectation of average long-term rate of return on the investment of the fund over the entire life of the related obligation. Plan assets are measured at fair value as at the Balance Sheet date.

  Gains or losses on the curtailment or settlement of defined benefit plan are recognised when the curtailment or settlement occurs.

  Actuarial gains or losses arising on account of experience adjustment and the effect of changes in actuarial assumptions for other employee benefit plan [other than gratuity] are recognized immediately in the Statement of Profit and Loss as income or expense.

  The cost of providing benefit under long service awards scheme is determined on the basis of estimated average cost of providing service and calculated arithmetically considering materiality.

3.11. Borrowing cost

Borrowing costs (net of interest income on temporary investments) that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the respective asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Ancillary cost of borrowings in respect of loans not disbursed are carried forward and accounted as borrowing cost in the year of disbursement of loan. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest expenses calculated as per effective interest method, exchange difference arising from foreign currency borrowings to the extent they are treated as an adjustment to the borrowing cost and other costs that an entity incurs in connection with the borrowing of funds.

3.12. Leases

Policy applicable from 1st April, 2019:

Where Company is lessee:

The Company has applied Ind AS 116 - "Leases" from 1st April, 2019 using the modified retrospective approach by applying para C8(b)(ii) of Appendix C of Ind AS 116 and therefore the comparative information has not been restated and continues to be reported under Ind AS 17 – "Leases".

Right-of-use assets were measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 31st March, 2019. The details of the changes in accounting policies are disclosed in note 50 (A)(I)(e) of standalone financial statements.

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

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

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

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

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

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

Lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Where Company is lessor

Assets acquired on leases where a significant portion of risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rental are charged to statement of profit and loss on straight-line basis.

Policy applicable before 1st April, 2019:

The Company determines whether an arrangement contains a lease by assessing whether the fulfillment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to use that asset to the Company in return for payment. Where this occurs, the arrangement is deemed to include a lease and is accounted for either as finance or operating lease. Leases are classified as finance leases where the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Where Company is lessee

Operating lease - Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where scheduled increase in rent compensates the Company with expected inflationary costs. Payment for leasehold land is amortised over the period of lease or useful life whichever is lower.

Finance lease – Finance leases are capitalised at the commencement of lease, at the lower of the fair value of the property or the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the statement of profit and loss over the period of the lease.

Where Company is lessor

Assets given on leases where a significant portion of risk and rewards of ownership are retained by the Company are classified as operating leases. Lease rental income are recognised in the Statement of Profit and Loss on straight-line basis except where scheduled increase in rent compensate the lessor for expected inflationary costs.

3.13. Taxes on income

Tax expenses for the year comprises of current tax, deferred tax charge or credit and adjustments of taxes for earlier years. In respect of amounts adjusted outside profit or loss (i.e. in other comprehensive income or equity), the corresponding tax effect, if any, is also adjusted outside profit or loss.

Provision for current tax is made as per the provisions of Income Tax Act, 1961.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, and deferred tax assets are recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which such deferred tax assets can be utilized. In situations where the Company has unused tax losses and unused tax credits, deferred tax assets are recognised only if it is probable that they can be utilized against future taxable profits. Deferred tax assets are reviewed for the appropriateness of their respective carrying amounts at each Balance Sheet date.

Minimum Alternative Tax (“MAT”) credit is recognised as an asset only when and to the extent it is probable that the Company will pay normal income tax during the specified period.

At each reporting date, the Company re-assesses unrecognised deferred tax assets. It recognises previously unrecognised deferred tax assets to the extent that it has become probable that future taxable profit allow deferred tax assets to be recovered.

3.14. Cash and cash equivalent

Cash and cash equivalents include cash in hand, bank balances, deposits with banks (other than on lien) and all short term and highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

For the purpose of cash flow statement, cash and cash equivalent as calculated above also includes outstanding bank overdrafts as they are considered an integral part of the Company’s cash management.

3.15. Cash flow statement

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

3.16. Provisions, contingent liabilities, contingent assets

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

The Company does not recognize a contingent asset but discloses its existence in the financial statements if the inflow of economic benefits is probable. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

3.17. Earnings per share

Basic earnings per share is computed using the net profit for the year attributable to the shareholders’ and weighted average number of shares outstanding during the year. The weighted average numbers of shares also includes fixed number of equity shares that are issuable on conversion of compulsorily convertible preference shares, debentures or any other instrument, from the date consideration is receivable (generally the date of their issue) of such instruments.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholder’ and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

3.18. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.18.1. Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the “Other income” line item.

Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the ‘Reserve for equity instruments through other comprehensive income’. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- It has been acquired principally for the purpose of selling it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument or a financial guarantee. Dividends on these investments in equity instruments are recognised in profit or loss when the Company’s right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss are included in the ‘Other income’ line item.

Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the ‘Other income’ line item. Dividend on financial assets at FVTPL is recognised when the Company’s right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model based on 'simplified approach' for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the twelve month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in statement of profit and loss.

De-recognition of financial asset

The Company de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On de-recognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

3.18.2. Financial liability and equity instrument

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for de-recognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in profit or loss.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability or (where appropriate) a shorter period, to the gross carrying amount on initial recognition.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

Commitments to provide a loan at a below-market interest rate

Commitments to provide a loan at a below-market interest rate are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

Compound financial instruments

The liability component of a compound financial instrument is recognised initially at fair value of a similar liability that does not have an equity component. The equity component is recognised initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and the equity components, if material, in proportion to their initial carrying amounts.

Subsequent to the initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest rate method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Reclassification

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

De-recognition of financial liabilities

The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in profit or loss.

4. **New standard issued and existing standards modified**

The following standards issued / modified by MCA become effective w.e.f. 1st April 2019 and the Company has adopted these standards.

Particulars
New Ind AS issued *
Ind AS 116 – Leases
Modification to existing Ind AS *
Ind AS 12 – Income Taxes • Uncertainty over income tax treatments • Clarification for recognition of income tax consequences of dividends in profit or loss
Ind AS 109 – Financial Instruments
Ind AS 28 – Investments in associates and joint ventures
Ind AS 19 – Employee benefits
Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements
Ind AS 23 – Borrowing costs

* Does not include modification to existing other Ind AS due to issue of new Ind AS.

Refer note 50 (A)(I)(e) of the standalone financial statements for impact of Ind AS 116. In respect of amendments in other Ind AS, in the view of management, there is no material impact on the standalone financial statements.

On 24th July 2020, the Ministry of Corporate Affairs (MCA) has notified following amendment to existing Ind AS which are applicable from 1st April 2020. The Company is in process of evaluating the impact of these changes.

i) Ind AS 103 – Business Combinations

ii) Ind AS 107 – Financial Instruments: Disclosures

iii) Ind AS 109 – Financial instruments

iv) Ind AS 116 – Leases

v) Ind AS 1 – Presentation of Financial Statements

vi) Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

vii) Ind AS 10 – Events after the Reporting Period

viii) Ind AS 34 – Interim Financial Reporting

ix) Ind AS 37– Provisions, Contingent Liabilities and Contingent Assets

KAMAT HOTELS (INDIA) LIMITED

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

5

Property, plant and equipment	Freehold Land	Leasehold Land (Financial lease)	Building	Leasehold Improvements (Refer note 5.2)	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Total
Gross carrying value as at 1st April, 2018	**2,561.08**	**361.82**	**6,511.36**	**18,654.80**	**1,869.49**	**222.70**	**21.47**	**58.51**	**30,261.23**
Additions during the year 2018-19	-	-	-	63.31	189.58	21.94	8.48	16.69	300.00
Deletions during the year 2018-19	-	-	-	13.30	18.15	2.76	0.54	0.01	34.76
Balance as at 31st March 2019	**2,561.08**	**361.82**	**6,511.36**	**18,704.81**	**2,040.92**	**241.88**	**29.41**	**75.19**	**30,526.47**
Additions during the year 2019-20	-	-	3.94	13.79	128.90	44.43	8.71	12.40	212.17
Deletions during the year 2019-20	-	-	-	58.05	17.47	4.86	1.67	1.26	83.31
Balance as at 31st March 2020	**2,561.08**	**361.82**	**6,515.30**	**18,660.55**	**2,152.35**	**281.45**	**36.45**	**86.33**	**30,655.33**
Accumulated depreciation									
Balance as at 1st April, 2018	**-**	**19.66**	**285.51**	**1,371.39**	**501.78**	**81.20**	**6.02**	**24.89**	**2,290.45**
Additions during the year 2018-19	-	5.88	132.89	648.27	218.57	39.28	3.42	13.42	1,061.73
Deletions during the year 2018-19	-	-	-	0.45	0.94	-	-	-	1.39
Balance as at 31st March 2019	**-**	**25.54**	**418.40**	**2,019.21**	**719.41**	**120.48**	**9.44**	**38.31**	**3,350.79**
Additions during the year 2019-20	-	5.90	132.32	636.85	192.76	19.95	4.35	15.90	1,008.03
Deletions during the year 2019-20	-	-	-	68.72	5.29	4.43	0.48	0.93	79.85
Balance as at 31st March 2020	**-**	**31.44**	**550.72**	**2,587.34**	**906.88**	**136.00**	**13.31**	**53.28**	**4,278.97**
Net carrying amount									
Balance as at 31st March, 2019	2,561.08	336.28	6,092.96	16,685.60	1,321.51	121.40	19.97	36.88	27,175.68
Balance as at 31st March, 2020	**2,561.08**	**330.38**	**5,964.58**	**16,073.21**	**1,245.47**	**145.45**	**23.14**	**33.05**	**26,376.36**

Notes :

5.1 For details of assets given as security, refer note 26.1 .

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

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

6	Right of use assets (Refer note 50)	Land & building	Total
	Goss carrying value as at 1st April, 2018	-	-
	Additions during the year 2018-19	-	-
	Deletions during the year 2018-19	-	-
	Balance as at 31st March, 2019	**-**	**-**
	Additions during the year 2019-20	112.61	112.61
	Deletions during the year 2019-20	-	-
	Balance as at 31st March, 2020	**112.61**	**112.61**
	Accumulated depreciation		
	Balance as at 1st April, 2018	-	-
	Charge for the year 2018-19	-	-
	Deletions during the year 2018-19	-	-
	Balance as at 31st March, 2019	**-**	**-**
	Charge for the year 2019-20	8.44	8.44
	Deletions during the year 2019-20	-	-
	Balance as at 31st March, 2020	**8.44**	**8.44**
	Net carrying amount		
	Balance as at 31st March, 2019	-	-
	Balance as at 31st March, 2020	**104.17**	**104.17**

7	Other intangible assets	Software	Total
	Goss carrying value as at 1st April, 2018	**63.02**	**63.02**
	Additions during the year 2018-19	24.95	24.95
	Deletions during the year 2018-19	0.34	0.34
	Balance as at 31st March, 2019	**87.63**	**87.63**
	Additions during the year 2019-20	17.71	17.71
	Deletions during the year 2019-20	-	-
	Balance as at 31st March, 2020	**105.34**	**105.34**
	Accumulated amortization		
	Balance as at 1st April, 2018	7.99	7.99
	Amortization for the year 2018-19	9.30	9.30
	Deletions during the year 2018-19	0.09	0.09
	Balance as at 31st March, 2019	**17.20**	**17.20**
	Amortization for the year 2019-20	10.92	10.92
	Deletions during the year 2019-20	-	-
	Balance as at 31st March, 2020	**28.12**	**28.12**
	Net carrying amount		
	Balance as at 31st March, 2019	70.43	70.43
	Balance as at 31st March, 2020	**77.22**	**77.22**

7.1 Software is other than internally generated software.

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

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

8	Capital work in progress	As at 31st March 2020	As at 31st March 2019
	Opening balance	27.34	48.21
	Add: Additions during the year	723.76	235.68
	Less: Capitalised during the year	229.88	256.55
	Closing balance	**521.22**	**27.34**

9	Intangible assets under development	As at 31st March 2020	As at 31st March 2019
	Opening balance	3.45	-
	Add: Additions during the year	2.60	28.40
	Less: Capitalised during the year	6.05	24.95
	Closing balance	**-**	**3.45**

10	Investment property	Freehold land	Building	Building on leasehold land (Refer note 10.4)	Total
	Gross carrying value as at 1st April, 2018	**178.09**	**28.34**	**950.85**	**1,157.28**
	Additions during the year 2018-19	-	-	-	-
	Deletions during the year 2018-19	-	-	-	-
	Balance as at 31st March, 2019	**178.09**	**28.34**	**950.85**	**1,157.28**
	Additions during the year 2019-20	-	-	-	-
	Deletions during the year 2019-20	-	-	-	-
	Balance as at 31st March, 2020	**178.09**	**28.34**	**950.85**	**1,157.28**
	Accumulated depreciation				
	Balance as at 1st April, 2018	**-**	**1.02**	**48.98**	**50.00**
	Additions during the year 2018-19	-	0.51	24.27	24.78
	Deletions during the year 2018-19	-	-	-	-
	Balance as at 31st March, 2019	**-**	**1.53**	**73.25**	**74.78**
	Additions during the year 2019-20	-	0.51	23.80	24.31
	Deletions during the year 2019-20	-	-	-	-
	Balance as at 31st March, 2020	**-**	**2.04**	**97.05**	**99.09**
	Net carrying amount				
	Balance as at 31st March, 2019	178.09	26.81	877.60	1,082.50
	Balance as at 31st March, 2020	**178.09**	**26.30**	**853.80**	**1,058.19**

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

10.2 Cost of freehold land includes Rs. 134.40 lakhs as at 31st March 2020 (Previous year: Rs. 134.40 lakhs) which is in the name of the 'Chairman and Managing Director' of the Company.

10.3 For details of assets given as security, refer note 26.1 .

10.4 The leasehold improvements are constructed on land taken under cancellable operating lease. Refer note 50 for details on Future minimum lease rentals.

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

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

Particulars	31st March 2020	31st March 2019
Rental income derived from investment property (Refer note 10.6)	47.15	40.24
Direct operating expenses (including repairs and maintenance) generating rental income	18.56	18.39
Direct operating expenses (including repairs and maintenance) that did not generate rental income	2.96	4.72
Profit from leasing of investment properties before depreciation	**25.63**	**17.13**
Less: Depreciation expenses	24.31	24.78
Profit / (loss) from leasing of investment properties after depreciation	**1.32**	**(7.65)**

10.6 Leasing arrangement

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

10.7 Fair value

Particulars	As at 31st March 2020	As at 31st March 2019
Fair value of investment properties	1,415.07	1,415.07

10.8 The Company's investment properties consist of land situated at Nagpur, Kottayam (Kerala), Baddi (Himachal Pradesh) and office building in Mumbai. The best evidence of fair value is current prices in an active market for similar properties. Company has considered ready reckoner rates as the main input for valuation of these investment properties. All resulting fair value estimates for investment properties are included in Level 2.

11

Investments in subsidiaries and joint ventures (At cost)	As at 31st March 2020	As at 31st March 2019
Investment in equity instruments (fully paid)		
Unquoted		
Investment in wholly owned subsidiaries		
Orchid Hotels Pune Private Limited (OHPPL) 1,17,64,706 equity shares (31st March, 2019 1,17,64,706) of Rs. 10 each	9,327.75	9,327.75
Less: Impairment in value of investment (Refer note 11.1 and 11.3)	9,327.75	9,327.75
	-	-
Fort Jadhavgadh Hotels Private Limited 10,000 equity shares (Previous year: 10,000) of Rs. 10 each	1.00	1.00
Orchid Hotels Eastern (India) Private Ltd [formerly known has Green Dot Restaurants Private Limited] 10,000 equity shares (Previous year: 10,000) of Rs. 10 each	1.00	1.00
Mahodadhi Palace Private Limited 10,000 equity shares (Previous year: 10,000) of Rs. 10 each	1.00	1.00
Kamat Restaurants (India) Private Limited	1.00	1.00
10,000 equity shares (Previous year: 10,000) of Rs. 10 each		
Investments in Joint Venture		
Ilex Developers and Resorts Limited 2,66,500 equity shares (Previous year: 2,66,500) of Rs. 10 each	533.00	533.00
Less: Impairment in value of investment (Refer note 11.2)	533.00	533.00
	-	-
Total	**4.00**	**4.00**
Aggregate cost of unquoted investment	9,864.75	9,864.75
Aggregate amount of impairment in value of investments	9,860.75	9,860.75

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

11.1 The Company has made a strategic and long term investment of Rs.9,327.75 lakhs in the shares of Orchid Hotels Pune Private Limited (OHPPL), a wholly owned subsidiary of the Company in earlier years. Further, a loan of Rs. 19,646.40 lakhs was granted to OHPPL in earlier years. This subsidiary has been declared as non-performing asset by its lender due to defaults in paying the loan dues. This subsidiary is also facing other adverse factors which have severely affected its financial position. Considering these adverse factors, in the earlier years, the Company had made a provision for impairment of investment and loan outstanding from the subsidiary.

In view of various adverse factors and request made to the Company by the subsidiary for waiver of interest on the loan, Company had waived off interest on this unsecured loan granted until there is improvement in the financial position of this entity. This waiver is effective from 1st January, 2014 and continued in current financial year.

11.2 The Company has made a strategic and long term investment of Rs. 533.00 lakhs (Previous year: Rs.533.00 lakhs) in earlier years in the equity shares of Ilex Developers & Resorts Limited (Ilex), a 32.92% joint venture of the Company. In the earlier years, the Company had made full provision for impairment of investment based on assessment carried out by the management.

11.3 Out of company's investment in equity shares of OHPPL, 57,64,701 (Previous year:57,64,701) equity shares as on 31st March, 2020 have been pledge by the Company to lenders as a security for loans taken by the Company and 35,29,411 equity shares (Previous year: Rs. 35,29,411 equity shares) have been pledged by the Company to lenders as a security for loan taken by the Subsidiary Company.

11.4 Company's investment in equity shares of wholly owned subsidiaries [Kamats Restaurants (India) Private Limited, Fort Jadhavgadh Hotels Private Limited and Mahodadhi Palace Private Limited] and equity shares held in joint venture entity [ILEX Developers and Resorts Limited] is given as security for loan facilities availed by the Company [Also refer note 26.1(a)].

12	**Investments - non-current**	**As at 31st March 2020**	**As at 31st March 2019**
	(a) Investment measured at Fair Value Through Profit or Loss		
	Investment in equity instruments		
	Quoted		
	Royal Orchid Hotels Limited 50 equity shares (Previous year: 50) of Rs 10 each	0.02	0.06
	Unquoted		
	The Satara Sahakari Bank Limited 10,010 equity shares (Previous year: 10,010) of Rs. 50 each	15.30	10.96
	Total FVTPL investments	**15.32**	**11.02**
	Total	**15.32**	**11.02**
	Aggregate cost of quoted investments	0.03	0.03
	Aggregate amount of unquoted investments	15.30	10.96
	Market value of quoted investments	0.02	0.06
	Aggregate amount of impairment in value of investments	-	-

13	**Loans - Non current** (Unsecured, considered good unless otherwise stated)	**As at 31st March 2020**	**As at 31st March 2019**
	Security deposits		
	- Related Party (Refer note 13.1 and 46)	1,818.01	1,722.55
	- Others	137.55	136.95
	Loans to subsidiaries (considered doubtful)	20,065.14	20,065.14
	Less: Impairment of advance given (Refer note 11.1 and 13.2)	20,065.14	20,065.14
		-	-
	Inter corporate deposit (considered doubtful)	200.00	200.00
	Less: Impairment of advance given (Refer note 11.2)	200.00	200.00
		-	-
	Total	**1,955.56**	**1,859.50**

13.1 Security deposit paid having carrying value of Rs. 8,000 lakhs as at 31st March 2020 (Previous year: Rs.8,000 lakhs) is interest free and is given for leasehold land taken from Plaza Hotels Private Limited in which director of the Company is also member. This deposit has been fair valued under Ind AS 109 - Financial Instrument.

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

13.2 Loan to subsidiaries include outstanding loan of Rs. 418.74 lakhs (Previous year: Rs. 418.74 lakhs) given to Mahodadhi Palace Private Limited (MPPL). In the earlier years the Company had made a provision of Rs. 418.74 lakhs for doubtful of recovery from this subsidiary. Considering severe effect of adverse factors of on its financial position.

Further, in view of various adverse factors and request made to holding company by MPPL for waiver of interest, Company has waived off interest on this unsecured loan granted until there is improvement in the financial position of this entity. Considering there is no improvement in current year also, interest is continued to be waived in current year. This waiver is effective from 28th February 2017. Accordingly, no interest is charged by the Company on the outstanding loan.

13A	**Other financial assets - non current**	**As at 31st March 2020**	**As at 31st March 2019**
	Margin money in fixed deposits with banks (maturity more than 12 months) (Refer note 13A.1 below)	6.52	6.25
	Total	**6.52**	**6.25**

13A.1 Fixed deposit is given as margin money to the Bank for guarantee given by bank to Government and other authorities on behalf of the Company.

14	**Income tax assets (net)- non-current**	**As at 31st March 2020**	**As at 31st March 2019**
	Income tax (net)	887.82	1,337.48
	Total	**887.82**	**1,337.48**

15	**Other non current assets** (Unsecured, considered good unless otherwise stated)	**As at 31st March 2020**	**As at 31st March 2019**
	Capital advances	188.65	188.65
	Less: Impairment of advance given	188.65	188.65
		-	-
	Others advances (Refer Note 15.1)	488.62	488.62
	Less: Impairment of advance given	488.62	488.62
		-	-
	Deferred advance rentals	3,650.47	3,813.36
	Prepaid expenses	7.59	8.38
	Total	**3,658.06**	**3,821.74**

15.1 In terms of the Memorandum of Understanding with a Public Trust owning a plot of land in Mumbai, the Company had paid Rs. 488.62 lakhs as security deposit and incurred expenditure of Rs. 207.93 lakhs for a proposed hospitality project on the said land in earlier years. The owner did not fulfil his obligation to complete the infrastructure for the aforesaid project despite follow up by the Company. In view of inordinate delay in the projects, the expenditure incurred on the said incomplete project had been written off in earlier years and a provision had been made in the earlier years for the deposit paid to the said party. Company has initiated legal proceedings against the party and other party has also made counter claim for compensation and interest thereon. The matter is pending to be resolved. Adjustments, if any, to the expenditure written off and provision made as above, will be made on disposal / conclusion of the above matter in the year in which matter is settled.

16	**Inventories** (At lower of cost or net realisable value)	**As at 31st March 2020**	**As at 31st March 2019**
	Food and beverages	148.18	139.35
	Stores and operating supplies	110.29	128.99
	Total	**258.47**	**268.34**

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

17	Current investments	As at 31st March 2020	As at 31st March 2019
	Investment measured at Amortised Cost		
	Unquoted		
	50,000 (Previous year: 50,000) units of SBI PSU FUND- of Rs.10 each	3.81	5.25
	Total	**3.81**	**5.25**
	Aggregate cost of unquoted investments	5.00	5.00
	Net asset value unquoted investments	3.81	5.25
	Aggregate amount of impairment in value of investments	-	-

18	**Trade receivable** (Unsecured considered good, unless otherwise stated)	As at 31st March 2020	As at 31st March 2019
	-Considered good	987.12	1,110.78
	-Considered doubtful	1,414.09	1,461.96
	Sub-total	**2,401.21**	**2,572.74**
	Less: Allowance for expected credit loss*	1,414.09	1,461.96
	Total	**987.12**	**1,110.78**

* The Company recognizes loss allowances using the expected credit loss (ECL) model based on 'simplified approach'. Considering same, there are trade receivables having significant credit risk [Also refer note 3.18.1 and 57(a)(ii)].

18.1 Trade receivable includes receivable from related parties as given below. This included amount of Rs. 103.11 lakhs (Previous year: Rs. 30.68 lakhs) from entitities in which director of the Company is also director.

Particulars	As at 31st March 2020	As at 31st March 2019
From related parties (Refer note 46)		
Orchid Hotel Pune Private Limited	91.43	18.58
Ilex Developers & Resorts Limited	9.63	9.72
Treeo Resorts Private Limited	2.05	2.38
Total	**103.11**	**30.68**

19	Cash and cash equivalent	As at 31st March 2020	As at 31st March 2019
	Balances with bank		
	- In current accounts	125.24	257.45
	- Cash in hand	27.04	25.82
	- Fixed deposits (maturity less than 12 months)	100.54	74.10
	Total	**252.82**	**357.37**

20	Other bank balance	As at 31st March 2020	As at 31st March 2019
	Margin money in fixed deposits with banks (Refer note 20.1)	53.16	49.41
	Balance in Bank - Escrow Account (Refer note 20.2)	14.70	28.05
	Total	**67.86**	**77.46**

20.1 Fixed deposit is given as margin money to the Bank for guarantee given by bank to Government and other authorities on behalf of the Company.

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

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

21	**Loans - current** (Unsecured considered good, unless otherwise stated)	**As at 31st March 2020**	**As at 31st March 2019**
	Security deposit	13.30	13.80
	Loans and advances to employees	0.22	-
	Total	**13.52**	**13.80**

22	**Other current financial assets** (Unsecured, considered good unless otherwise stated)	**As at 31st March 2020**	**As at 31st March 2019**
	Interest receivable from:		
	- Wholly owned subsidiary on loans and advances (Refer note 46.3)	3.62	3.62
	- on bank deposits and Investments	16.91	11.12
	Total	**20.53**	**14.74**

22A	**Income tax assets (net)- current**	**As at 31st March 2020**	**As at 31st March 2019**
	Income tax (net)	231.52	-
	Total	**231.52**	**-**

23	**Other current assets** (Unsecured, considered good unless otherwise stated)	**As at 31st March 2020**	**As at 31st March 2019**
	Advances to vendors	163.79	88.34
	Balances with Government authorities (Refer note 23.1 below)	113.52	98.66
	Prepaid expenses	147.84	195.00
	Total	**425.15**	**382.00**

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

24	**Share capital**	**As at 31st March 2020**	**As at 31st March 2019**
	Authorised capital		
	34,250,000 (Previous year: 34,250,000) Equity Shares of Rs. 10 each.	3,425.00	3,425.00
	Total	**3,425.00**	**3,425.00**
	Issued, subscribed and paid-up		
	23,584,058 (Previous year: 23,584,058) Equity Shares of Rs. 10 each, fully paid up	2,358.41	2,358.41
	Add: 862,500 Forfeited equity shares (Previous year: 862,500) (amounts originally paid up).	58.85	58.85
	Total	**2,417.26**	**2,417.26**

24.1 Terms/ rights attached to equity shares :

The Company has only one class of shares referred to as equity shares having a par value of Rs. 10. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, there are no preferential amounts inter se equity shareholders. The distribution will be in proportion to the number of equity shares held by the shareholders (after due adjustment in case shares are not fully paid up).

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

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

Particulars	FY 2019-20		FY 2018-19	
	Number of Shares	Amount	Number of Shares	Amount
Number of shares at the beginning of the year	2,35,84,058	2,358.41	2,35,84,058	2,358.41
Add: Shares issued during the year	-	-	-	-
Less: Buyback during the year	-	-	-	-
Number of shares at the year end	2,35,84,058	2,358.41	2,35,84,058	2,358.41

24.3 Details of shareholders holding more than 5 % shares

Particulars	As at 31st March 2020		As at 31st March 2019	
	Number of shares	% held	Number of shares	% held
Kamat Holdings Private Limited *	15,00,000	6.36	15,00,000	6.36
Plaza Hotels Private Limited	35,35,545	14.99	35,35,545	14.99
Indira Investments Private Limited *	15,63,794	6.63	15,63,794	6.63
Dr. Vithal V. Kamat	32,54,990	13.80	32,54,990	13.80
Vishal Amusements Limited	18,88,526	8.01	2,58,897	1.10

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

25

Other equity	As at 31st March 2020	As at 31st March 2019
Capital reserve (Refer note 25.1)		
As per last Balance sheet	13.87	13.87
Capital redemption reserve (Refer note 25.2)		
As per last Balance sheet	266.50	266.50
Securities premium (Refer note 25.3)		
As per last Balance sheet	14,986.74	14,986.74
Amalgmation reserve (Refer note 25.4)		
As per last Balance sheet	280.06	280.06
Surplus/ (deficit) in the Statement of Profit and loss		
As per last balance sheet	(20,711.27)	(23,218.23)
Add: Profit for the year	3,569.59	2,506.96
Closing balance	**(17,141.68)**	**(20,711.27)**
Other comprehensive income		
As per last balance sheet	14.82	10.26
Add: Other comprehensive income / (loss) for the year	9.50	4.56
Closing balance	**24.32**	**14.82**
Total	**(1,570.19)**	**(5,149.28)**

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

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

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

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

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

26

Borrowings	As at 31st March 2020	As at 31st March 2019
Non-current borrowings		
Secured		
Term loans (Refer note 26.1(a))		
- From banks (Refer note 26.1(a), 26.1(b), 26.1(d), 26.1(e) and 26.5)	1,784.28	1,770.64
- From others (Refer note 26.1(a), 26.1(b) and 26.5)	23,633.37	27,850.94
Unsecured		
- Term loans from others (Refer note 26.1(c))	-	100.00
- Inter-corporate loan (Refer note 26.2)	186.01	605.59
	25,603.66	30,327.17
Less: Current maturities of long term loans (Refer note 34)	5,889.87	6,041.87
Less: Interest accrued and due (Refer note 34)	1,017.18	160.70
Less: Interest accrued but not due (Refer note 34)	11.93	11.93
Total	**18,684.68**	**24,112.67**

26.1 Details of security provided and terms of repayment

(a) Term loan from banks and others [loans assigned by banks to ARC's on settlement] aggregating to Rs. 22,092.22 lakhs (Previous year: Rs. 25,799.87 lakhs) are secured by (i) First ranking pari-passu charge on lands at “The Orchid” at Vile Parle (East) (owned by Plaza Hotels Private Limited) together with hotel buildings and all appurtenances thereon; (ii) First / second ranking pari-passu mortgage on Company’s immovable property being Hotel “VITS” at Andheri (East); (iii) First/ second charge by way of hypothecation of movable fixed assets and current assets of the Company; (iv) Credit card receivables on pari-passu basis; (v) Equitable mortgage of hotel property at Lotus Goa [exclusive to one lender]; (vi) P ledge of equity shares of the Company held by promoters and promoter companies, pledge of certain equity shares of Orchid Hotels Pune Private Limited (subsidiary) and Plaza Hotels Private Limited (related party) and entire equity shares of Kamats Restaurants (India) Private Limited, Fort Jadhavgadh Hotels Private Limited, Mahodadhi Palace Private Limited and Ilex Developers and Resorts Limited, Kamat Holiday Resorts (Silvassa) Limited; and (vii) Corporate guarantee of subsidiaries, joint venture entity and Plaza Hotels Private Limited and personal guarantee of Dr. Vithal V. Kamat and Mr. Vikram V. Kamat.

(b) Term loans from others [loans assigned by Bank to ARC's and NBFC on settlement] aggregating to Rs. 1,452.90 lakhs (Previous year: Rs. 1,971.29 lakhs) is secured by (i) First ranking pari-passu charge on lands at “The Orchid” at Vile Parle (East) (owned by Plaza Hotels Private Limited) together with hotel buildings (245 rooms) and all appurtenances thereon; (ii) Credit card receivables of Orchid (245 rooms) and VITS, Mumbai; (iii) Personal guarantees of Dr. Vithal V. Kamat and Mr. Vikram V. Kamat; and (iv) Post dates cheques and undertaking to pay 50% of sale proceeds of certain assets in case of sale of those assets.

(c) Term loan from others is secured by pledge of equity shares of the Company held by the promoter and promoter companies. This loan has been fully repaid during the current year.

(d) Vehicle loan taken by the Company had been repaid during the previous year aggregating to Rs. 3.47 lakhs. This loan was secured by hypothecation of the vehicle for which loan was taken.

(e) Term loans from bank having carrying value of Rs.1,772.34 lakhs (Previous year: 1,772.34 lakhs) is secured by way of (i) Exclusive charge on all present and future current assests including receivables of four hotel properties and subservient charge on all fixed assets of the Company; (ii) Equitable mortgage over the land situated at Nagpur, owned by the Company and directors/ relative of directors; (iii) Pledge of 34 lakh shares held by Vishal Amusement Limited and Dr. Vithal V. Kamat; (iv) Personal guarantees of Dr. Vithal V. Kamat, and Mr. Vishal V. Kamat; and (v) Post dates cheques.

26.2 Above intercorporate loan is repayable by 31st March, 2024 [as extended] or earlier on availability of funds with the Company. As per the terms of the agreement it is not payable in next 12 months as at balance sheet date, hence same is classified under long term borrowing.

26.3 Based on repayment schedules for borrowings [including as per settlement agreement or One Time Settlement sanctioned by various lenders as referred in note 26.4 below], following is maturity profile of term loans from banks and others [assigned loans].

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

Particulars	Maturity Profile as on 31st March 2020		Maturity Profile as on 31st March 2019	
	Next 1 year	2-5 Years	Next 1 year	2-5 Years
Term loan from banks	437.98	1,334.37	13.64	1,758.71
Term loan from others	5,451.89	17,350.31	6,028.23	22,353.96
Total	**5,889.87**	**18,684.68**	**6,041.87**	**24,112.67**

26.4 Settlement of outstanding loan with ARC's and one time settlement with banks

(a) The Company had borrowed funds in earlier years from banks, financial institutions and NBFCs. Due to financial crisis faced by economic slowdown and other factors, a Corporate Debt Restructuring (CDR) Scheme was sanctioned by the Corporate Debt Restructuring Empowered Group vide sanction letter dated 12th March, 2013. In respect of some of the restructured debts from some of the lenders, despite best efforts taken by the Company, the stipulated assets of the Company could not be sold and consequently the debts agreed to be repaid out of the above debts could not be repaid by 31st March, 2014 and hence CDR scheme failed and Company exited from the CDR scheme. Subsequently, most of the lenders have initiated recovery proceeding including under SARFAESI Act and the Negotiable Instrument Act,1881. One of the lender also filed recovery proceedings with Hon'ble Bombay High Court in which another lender having rights on escrow of credit card receivable intervened and finally the case was disposed off by consent.

Subsequently, most of these loans were assigned by the lenders to the Asset Reconstruction Companies (ARC). Company had negotiated with the Banks and ARC's and restructured the above debts through settlement agreements or one time settlements (OTS) of outstanding dues in earlier years.

(b) With respect to above settled loans, Company is discharging its obligations in terms of the settlement with the respective assignees. In the event of default of terms and conditions of the settlements, the Company may be liable to pay additional penal interest and charges which are estimated to be Rs. 27,399.38 lakhs (Previous year: Rs. 22,690.98 lakhs).

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

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

(b) During the current year, an ARC (to which two banks and one financial institution had assigned the secured debts) has modified terms and conditions of the debt by providing the allocation between principal and interest payable w.e.f 1st April 2019 vide their letter dated 29th January 2020. Further, the effective interest rate (EIR) has been recomputed based on the revised principal amount. The management is of the view that the de-recognition and consequent the write back of loan and re-computation of EIR has been done in accordance with the qualitative parameters permitted in Ind AS 109 – ‘Financial Instruments’ on the basis of opinion obtained from an expert and its ability to make prepayment of loan. Consequently, the Company has written back the principal amount of Rs. 2,369.28 lakhs outstanding as on 1st April 2019 and accounted for additional interest of Rs.1,052.67 lakhs pertaining to financial year 2019-20. Principal write back of Rs. 2,369.28 lakhs has been shown as "exceptional item". Also refer note 43.1.

26.6 Loans guaranteed by directors

Particulars*	As at 31st March 2020	As at 31st March 2019
Term loan from banks	1,784.28	1,770.64
Term loan from others	23,633.37	27,850.94
Term loan from others	**25,417.65**	**29,621.58**

*Including interest outstanding.

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

26.7 (a) Continuing default in repayment of loan and interest at the year end is as given below:

Particulars	As at 31st March 2020		As at 31st March 2019	
	Amount*	Period defaults	Amount*	Period defaults
Principal	987.36	1 to 92 days	454.00	1 day
Interest (excluding delay interest)	988.73	1 to 92 days	-	-
Total	**1,976.09**		**454.00**	

* Amount of Rs. Nil has been fully repaid subsequent to year before approval of accounts (Previous year: Amount of Rs. 454.00 lakhs repaid subsequent to previous year before approval of accounts).

(b) During the current year, there are delays in repayment of principal, payment of interest and there are unpaid instalments amounting to Rs. 1,934.00 lakhs which were due/overdue as on 31st March 2020. The Company has requested all its lenders in the month of March 2020 for the extension of the dues considering the impact on account of COVID-19. Though, written confirmation from lenders are awaited, all lenders have agreed for the extension either verbally or has given in principle approval. In view of the above, in the opinion of the management, event of default is not triggered in any case and therefore, there is no other accounting implications and reclassification of non-current borrowings to current liabilities is not required as at 31st March 2020. 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 2020 as required by SEBI circular dated 21st November 2019.

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Lease liabilities - non-current	As at 31st March 2020	As at 31st March 2019
Lease rent (Refer note 50)	96.52	-
Total	**96.52**	**-**

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Other financial liabilities - non-current	As at 31st March 2020	As at 31st March 2019
Outstanding club membership deposit	30.87	30.70
Security deposits	65.82	59.10
Deposit from related party (Refer note 28.1)	23.17	20.69
Total	**119.86**	**110.49**

28.1 Security deposit received having carrying value of Rs. 80.00 lakhs as at 31st March 2020 (Previous year: Rs. 80.00 lakhs) is interest free and is received against hotel property given by the Company under operation and management agreement. This deposit is fair valued in accordance with Ind AS 109 - Financial Instrument.

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Other non-current liabilities	As at 31st March 2020	As at 31st March 2019
Unamortized non-refundable membership deposit	453.32	527.79
Total	**453.32**	**527.79**

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Provisions - Non-current	As at 31st March 2020	As at 31st March 2019
Provision for gratuity (Refer note 49(ii)(a))	222.17	179.96
Provision for leave benefit (Refer note 49((ii)(b))	200.88	256.12
Total	**423.05**	**436.08**

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

31 Deferred tax assets/ (liabilities)	As at 31st March 2020	As at 31st March 2019
Significant components of net deferred tax assets and liabilities		
Deferred tax liabilities		
Difference in net carrying value of property, plant and equipment, intangible assets and investment properties as per income tax and books	3,603.65	4,148.23
Sales tax deposit paid under protest claimed as allowable expenses	2.52	2.91
Sub-total (A)	**3,606.17**	**4,151.14**
Deferred tax assets		
Expense allowed on payment basis as per Income tax act, 1961	451.74	590.05
Provision for doubtful debts and advances	360.46	432.38
MAT credit entitlement	52.52	50.04
Lease expenses under IND AS 116	0.13	-
Fair value measurement of financial assets and liabilities (net)	466.66	631.46
Sub-total (B)	**1,331.51**	**1,703.93**
Deferred tax assets/(liability) (A-B)	**(2,274.66)**	**(2,447.21)**

31.1 Reconciliation of tax expenses and the accounting profit multiplied by applicable tax rate for 31st March 2020 and 31st March 2019:

Particulars	As at 31st March 2020	As at 31st March 2019
Profit before tax (a)	3,593.49	3,582.25
Income tax rate as applicable (b)	29.12%	29.12%
Income tax liability/(asset) as per applicable tax rate (a X b)	1,046.42	1,043.15
(i) Expenses disallowed/ income not taxable for tax purposes (net)	(685.97)	8.19
(ii) Effect of difference in tax rate considered for current tax and deferred tax (Refer note b below	(349.94)	(6.69)
(iii) Tax expenses of earlier years	13.39	30.64
Tax expense reported in the Statement of Profit and Loss	**23.90**	**1,075.29**

Particulars	As at 31st March 2020	As at 31st March 2019
Other comprehensive income (a)	13.40	6.43
Income tax rate as applicable (b)	29.12%	29.12%
Income tax liability/(asset) as per applicable tax rate (a X b)	3.90	1.87
Tax expense/(credit) reported in Other comprehensive income	**3.90**	**1.87**

Note:

(a) The Company offsets tax assets and liabilities in and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same authority.

(b) As per section 115BAA of the Income Tax Act, 1961, option is given for lower tax rate subject to certain conditions. The Company has Minimum Alternate Tax (MAT) credit and as per the assessment it is expected that the utilising MAT credit is beneficial to the Company. In view of the above, the Company has decided to continue under the existing tax regime for computation of current tax and move to lower tax rate in subsequent years. For the purpose of deferred tax, lower tax rate has ben considered, consequently, financial statements for the year ended 31st March, 2020 includes deferred tax credit of Rs. 349.94 lakhs.

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

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

Particulars	As at 31st March 2020	As at 31st March 2019
Current tax		
In respect of the current year	297.75	99.87
In respect of the earlier years	(99.87)	0.67
	197.88	**100.54**
Deferred tax		
Deferred tax charge / (credit) in respect of current year	(60.72)	944.78
Deferred tax charge / (credit) in respect of earlier years	113.26	29.97
	52.54	**974.75**
Total tax expense recognized in current year	**250.42**	**1,075.29**

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Trade payables	As at 31st March 2020	As at 31st March 2019
Outstanding dues of micro enterprises and small enterprises (Refer note 32.1).	226.24	189.81
Outstanding dues of creditors other than micro enterprises and small enterprises		
- Others	1,947.17	1477.89
- Related parties (Refer note 46)	289.61	287.15
Total	**2,463.02**	**1954.85**

32.1 The amount due to Micro, Small and Medium Enterprises as defined in the Micro, Small and Medium Enterprises Development Act (MSMED Act), 2006 has been determined to the extent such parties have been identified on the basis of information collected by the management. The disclosure relating to Micro, Small and Medium Enterprises is as under:

Particulars	As at 31st March 2020	As at 31st March 2019
Dues remaining unpaid at the year end:		
(a) The principle amount remaining unpaid to supplier as at the end of the accounting year	226.24	189.81
(b) The interest thereon remaining unpaid to supplier as at the end of the accounting year	25.12	17.37
(c) The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
(d) Amount of interest due and payable for the year	25.12	17.37
(e) Amount of interest accrued and remaining unpaid at the end of the accounting year	66.22	41.10
(f) The amount of further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid	14.14	8.90

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Lease liabilities - current	As at 31st March 2020	As at 31st March 2019
Lease rent (Refer note 50)	16.57	-
Total	**16.57**	**-**

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

34 Other financial liabilities - current	As at 31st March 2020	As at 31st March 2019
Current maturities of long term borrowings	5,889.87	6,041.87
Interest accrued but not due	11.93	11.93
Interest accrued and due:		
- To banks and others	1,017.18	160.70
- On bond deposit	118.78	44.48
Current maturity of outstanding membership deposit	1,199.17	1,245.11
Interest payable to MSME creditors	66.22	41.10
Security deposit	152.09	34.82
Book overdraft	266.26	419.01
Other payables *	695.71	744.02
Total	**9,417.21**	**8,743.04**

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

35 Other current liabilities	As at 31st March 2020	As at 31st March 2019
Advance from customers	267.32	304.92
Unamortized non-refundable membership deposit	74.47	74.47
Income received in advance (others)	6.99	9.13
Deferred income on club deposits	4.43	17.43
Deferred advance rentals on security deposits	36.92	39.67
Statutory dues	1,602.24	1,442.91
Total	**1,992.37**	**1,888.53**

36 Provision - current	As at 31st March 2020	As at 31st March 2019
Provision for gratuity (Refer note 49((ii)(a))	55.67	52.78
Provision for leave benefit (Refer note 49((ii)(b))	81.24	87.71
Total	**136.91**	**140.49**

37 Revenue from operations	Year ended 31st March 2020	Year ended 31st March 2019
Sale of services		
Room income	9,887.53	10,990.89
Food and beverage income	6,307.38	6,600.07
Sub-total	**16,194.91**	**17,590.96**
Other operating revenue		
Income from time share business	197.54	216.19
Management and consultancy fees	177.55	180.81
Swimming and health club	76.82	94.99
Conference and banqueting services	499.68	524.10
Internet and telephone	10.69	13.68
Laundry services	42.53	52.97

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

Revenue from operations	Year ended 31st March 2020	Year ended 31st March 2019
Car rental and transportation	136.97	162.51
Membership fees	76.10	70.71
Miscellaneous services	76.28	87.29
License fees - Shops and offices	156.47	128.45
Income from export incentive	76.21	65.92
Excess provision for expected credit loss written back	34.16	-
Excess provision for leave benefits written back	61.71	-
Liabilities and provisions written back	113.02	50.50
Sub-total	**1,735.73**	**1,648.12**
Total	**17,930.64**	**19,239.08**

38	Other income	Year ended 31st March 2020	Year ended 31st March 2019
	Interest income on financial assets at amortised cost		
	- on fixed deposit with bank	7.05	6.44
	- on income tax refund	6.74	75.64
	- on others	10.60	15.23
	Dividend income on investment in mutual fund - current investment	0.43	0.43
	Exchange gain (net)	4.91	6.95
	Net gain on fair value changes of financial assets measured at amortised cost	3.98	1.62
	License fees - other properties	56.28	49.20
	Miscellaneous income	-	24.68
	Total	**89.99**	**180.19**

39	Cost of food and beverage consumed	Year ended 31st March 2020	Year ended 31st March 2019
	Opening stock	139.35	175.06
	Add: Purchases	1,644.85	1,724.66
		1,784.20	1,899.72
	Less: Closing stock	148.18	139.35
	Total	**1,636.02**	**1,760.37**

40	Employee benefit expenses	Year ended 31st March 2020	Year ended 31st March 2019
	Salaries, wages and bonus	3,846.20	3,816.75
	Contribution to provident and other funds	222.26	234.68
	Provision for gratuity (Refer note 49(ii)(a))	67.53	59.70
	Provision for leave benefit (Refer note 49(ii)(b))	-	53.58
	Staff welfare expenses	381.13	266.18
	Total	**4,517.12**	**4,430.89**

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

41	**Finance costs**	**Year ended 31st March 2020**	**Year ended 31st March 2019**
	Interest expense at effective interest rate on borrowings which are measured at amortized cost (Refer note 26.5(b))	3,089.23	1,935.58
	Other borrowing costs	236.36	266.64
	Fair value changes in financial liabilities (measured at amortized cost)	85.86	1.04
	Interest expense on lease liabilities (Refer note 50)	24.95	-
	Total	**3,436.40**	**2,203.26**

42	**Other expenses**		**Year ended 31st March 2020**	**Year ended 31st March 2019**
	Operating expenses			
	Heat, light and power		1,215.69	1,193.87
	Rent (Refer note 50)		128.77	154.14
	Licenses, rates and taxes		447.91	424.44
	Repairs expenses for			
	- Buildings		254.10	189.18
	- Plant and Machinery		300.70	321.60
	- Others		133.56	143.55
	Expenses on apartments and boards		726.96	751.78
	Replacements of crockery, cutlery, linen, etc.		99.90	120.83
	Washing and laundry expenses		182.90	209.05
	Water charges		141.39	152.94
	Band and music expenses		160.12	165.22
	Management license fees and royalty		352.04	374.58
	Sub total(A)		**4,144.04**	**4,201.18**
	Sales and marketing expenses			
	Advertisement, publicity and sales promotion		248.18	249.01
	Travel agents' commission		597.31	553.65
	Other commission and charges		158.28	147.92
	Sub total(B)		**1,003.77**	**950.58**
	Administrative and general expenses			
	Communication expenses		121.13	125.57
	Printing and stationery		49.00	58.23
	Legal, professional and consultancy charges		313.76	416.72
	Directors' sitting fees		7.00	8.40
	Travelling and conveyance		269.50	272.36
	Insurance		62.56	50.89
	Bad debts (net)	13.71	-	107.88
	Less: Provision for expected credit loss	(13.71)	-	(69.54)
			-	38.34

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

42	Other expenses	Year ended 31st March 2020	Year ended 31st March 2019
	Provision for expected credit loss	-	37.88
	Auditors' remuneration (Refer note 42.1)	22.75	18.00
	Sales Tax/Vat /Luxury Tax etc. including assessment dues	1.80	3.48
	Loss on sale / discard of property, plant and equipment (Net)	1.13	21.38
	Miscellaneous expenses	158.74	143.67
	Sub total(C)	**1,007.37**	**1,194.92**
	Total(A+B+C)	**6,155.18**	**6,346.68**

42.1	Auditors remuneration	Year ended 31st March 2020	Year ended 31st March 2019
	Statutory audit fees	20.00	15.25
	Tax audit fees	2.75	2.75
	Total	**22.75**	**18.00**

Note: Above fees are excluding of goods and service tax (GST) of Rs. 4.10 lakhs (Previous year Rs.3.24 lakhs).

43	Exceptional items - Income / (expense)	Year ended 31st March 2020	Year ended 31st March 2019
	Income:		
	Reduction in liability towards long term borrowings (Refer note 43.1)	2,369.28	-
	Total Income / (expense)	**2,369.28**	**-**

43.1 During the current year, Company has written back principal amount of loan outstanding as on 1st April 2019 amounting to Rs. 2,369.28 lakhs based on the modification of terms and conditions of the debt by ARC (to which two banks and one financial institution had assigned secured debts) vide their letter dated 29th January 2020. Also refer note 26.5 (b).

44 Capital commitments, other commitments and contingent liabilities

44.1 Capital Commitments.

(a) Estimated amount of capital commitments to be executed on capital accounts and not provided for Rs. 19.45 lakhs as at 31st March 2020 (Previous year: Rs. 38.61 lakhs) (Net of advances).

44.2 Other significant commitments.

(a) The Company had put up Sewage Treatment Plant ("STP") on an adjacent immovable property owned by Kamats Amusements Private Limited in earlier years for its Orchid Hotel, Mumbai and continues to use the same. The Company is obliged to compensate appropriately to the owner for such use of the property. The modalities of the same being worked out.

(b) Undertaking given by the Company in favour of a lender to repay the loan to the extent of 50% of sale proceeds from certain specified assets (in case sold) - Expected obligation of Rs. 1,236.82 lakhs (Previous year: Rs. 1,236.82 lakhs) as per management estimate.

44.3 Contingent liability (to the extent not provided for)

Particulars		As at 31st March 2020	As at 31st March 2019
(i)	**Claims against the Company/ disputed liabilities not acknowledged as debts**		
a.	Disputed indirect tax demands (Including amount paid under protest of Rs. 22.22 lakhs) (Previous year: Rs. 22.14 lakhs)	561.91	561.81
b.	Disputed direct tax demand	5,453.27	-
c.	Claims against the Company not acknowledged as debts (including employee claims)	108.46	107.33
d.	Cases filed by certain lenders under the Negotiable Instrument Act, 1881 (Also refer 26.4(c))	-	1,000.00

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

Particulars		As at 31st March 2020	As at 31st March 2019
(ii)	**Guarantees given by the Company**		
a.	Corporate guarantee given to a bank in respect of credit facilities availed by subsidiary company	20,434.00	20,434.00
b.	Counter guarantee issued by the Company to secure bank guarantee obtained by the Company	14.00	38.12
c.	Corporate guarantee given to a bank in respect of credit facilities availed by Joint Venture Company	1,000.00	1,000.00
(iii)	**Other money for which the Company is contingently liable**		
a.	Contingencies in respect of assigned loan (Also refer 26.4(b))	27,399.38	22,690.98
b.	Open import licence	49.63	47.60

In respect of (i), (ii) and (iii) above, future cash outflows (including interest/ penalty, if any) are determinable on receipt of judgement from tax authorities / labour court/ settlement of claims or non-fulfilment of contractual obligations. Further, the Company does not expect any reimbursement in respect of above. In respect of (ii) above, Company does not expect any cash outflow till such time contractual obligations are fulfilled by the companies for which guarantees are issued (Also refer note 2.4 (x) of financial statements).

45 Subsidiaries (where control exist) and joint venture entity [Disclosure as per Ind AS 112]

Sr. No.	Name of the entity	Principal place of business	Proportion of ownership (%) As at 31st March 2020	Proportion of ownership (%) As at 31st March 2019
	Wholly owned subsidiaries			
(i)	Orchid Hotels Pune Private Limited	India	100%	100%
(ii)	Fort Jadhav Gadh Hotels Private Limited	India	100%	100%
(iii)	Mahodadhi Palace Private Limited	India	100%	100%
(iv)	Kamats Restaurant (India) Private Limited	India	100%	100%
(v)	Orchid Hotels Eastern (India) Private Limited (Formerly known as Green Dot Restaurants Private Limited)	India	100%	100%
	Joint venture entity			
(vi)	Ilex Developers & Resorts Limited	India	32.92%	32.92%

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

46.1 Name and relationships of related parties:

(a)	Subsidiaries and joint ventures		Refer note 45 above
(b)	Entities in which Director/ KMP and relatives have significant influence (Only where there are transactions/ balances)		Vithal Kamat (Huf), Kamat Holdings Private Limited, Indira Investments Private Limited^, Plaza Hotels Private Limited, Kamat Development Private Limited, Sangli Rubber Agro Private Limited, Kamats Club Private Limited^, Kamburger Foods Private Limited^, Kamats Super Snacks Private Limited^, Karaoke Amusements Private Limited^, Vishal Amusments Limited, Kamat Holiday Resorts (S) Limited, Kamat Eateries Private Limited^, Kamat Amusements Private Limited, Kamats Development Private Limited, Talent Hotels Private Limited, Treeo Resort Private Limited, Nagpur Ecohotel Private Limited^, VITS Hotels (Bhubaneshwar) Private Limited^
(c)	Key Management Personnel [KMP & director]:	Executive Chairman & Managing Director	Dr. Vithal V. Kamat
		Non Executive Director	Mr. Bipinchandra C. Kamdar
		Independent Director	Mr. S. S. Thakur (Upto 27th May 2019)
			Mr. Dinkar D. Jadhav
			Ms. Himali H. Mehta

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

		Chief Financial Officer	Mrs. Smita Nanda
		Company Secretary	Mr. Amit Vyas (Upto 13th May 2019)
			Mr. Shailesh Bhaskar (from 27th May 2019 to 10th June 2020)
			Mrs. Shruti Shrivastava (W.e.f. 30th July 2020)
(d)	Relatives of KMP		Mrs. Vidya V. Kamat [Wife of KMP]
	(Only where there are transactions)		Mr. Vikram V. Kamat [Son of KMP]
			Ms. Vidita V.Kamat [Daughter of KMP]
			Mr. Vishal V. Kamat - [Son of KMP and also Chief Executive Officer of Fort Jadhav Gadh, an unit of the Company]
(e)			

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

46.2 Transactions with related parties

Nature of transaction	Name of the party	Year ended 31st March 2020	Year ended 31st March 2019
Management fees - income	Orchid Hotels Pune Private Limited	176.67	180.81
Reimbursement of staff deputation expenses received		120.66	133.55
Amount recovered towards services		281.50	220.97
Temporary refund received of loan given		1,320.00	430.00
Repayment of temporary refund of loan taken		1,320.00	430.00
Taxes recovered on corporate guarantee commission		7.04	17.03
Amount payable towards tax on Commission related Corporate Guarantee		7.84	14.85
Reimbursement of expenses paid (net)		1.67	9.01
Management fees - expense	Mahodadhi Palace Private Limited	56.82	69.20
Reimbursement of expenses paid (net)		-	0.03
Amount collected by the company		-	0.10
Management fees - income	Ilex Developers & Resorts Limited	9.13	8.95
Transfer of materials		-	8.18
Laundry service expense		3.58	6.80
Taxes recovered on corporate guarantee commission		0.25	0.62
Amount payable towards tax on commission related corporate guarantee		0.44	0.93
Reimbursement of expenses received (net)		4.38	15.05
Reimbursement of expenses paid	Fort Jadhavgadh Hotels Private Limited	-	0.03
Reimbursement of expenses paid	Kamats Restaurants (India) Private Limited	-	0.03
Rent expense for leasehold land	Plaza Hotels Private Limited	209.46	228.08
Amount payable towards tax on Commission related Corporate Guarantee		2.27	2.23
Amount payable towards tax on Commission related Corporate Guarantee	Vishal Amusements Limited	0.17	0.62
Reimbursement of expenses received (net)	Treeo Resort Private Limited	0.17	-

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

Nature of transaction	Name of the party	Year ended 31st March 2020	Year ended 31st March 2019
Remuneration paid (Also refer note 46.5 & 47)	Dr.Vithal V.Kamat	106.45	105.66
Royalty expenses		5.52	5.18
Remuneration paid	Mr.Vishal V.Kamat	56.24	56.25
	Mrs.Smita Nanda	29.12	26.41
	Mr.Amit Vyas	6.32	18.36
	Mr.Shailesh Bhaskar	10.76	-
Consultancy fees	Ms. Vidita Kamat	5.40	5.40
Directors sitting fees	Mr. Bipinchandra C.Kamdar	1.90	2.15
	Mr. S.S.Thakur	0.60	2.05
	Mr. Dinkar D.Jadhav	1.90	2.15
	Mr. Ramnath Sarang	1.20	-
	Ms.Himali H. Mehta	1.40	2.05

46.3 Related party outstanding balances:

Nature of transaction	Name of the party	As at 31st March 2020	As at 31st March 2019
Investment in equity shares	Orchid Hotels Pune Private Limited	9,327.75	9,327.75
Provision for impairment of investment		9,327.75	9,327.75
Advance given		19,646.40	19,646.40
Provision for impairment of advance given		19,646.40	19,646.40
Trade receivable		91.43	18.58
Corporate guarantee given on behalf of subsidiary		21,500.00	21,500.00
Corporate guarantee provided by subsidiary company on behalf of Company		24,755.00	24,755.00
Advance given	Mahodadhi Palace Private Limited	418.74	418.74
Provision for impairment of advance given		418.74	418.74
Interest receivable on above advance		3.62	3.62
Trade payable		29.89	52.35
Investment in equity shares		1.00	1.00
Investment in equity shares	Ilex Developers & Resorts Limited	533.00	533.00
Provision for impairment of investment		533.00	533.00
Security deposits given (Gross carrying value)		80.00	80.00
Trade receivable (net)		8.21	9.72
Corporate guarantee given by Company on behalf of Joint Venture		1,000.00	1,000.00
Security given for loan taken by Company (to the extent of outstanding loan)		799.68	799.68
Deposit given under business contract agreements	Plaza Hotels Private Limited	8,000.00	8,000.00
Trade payable		258.73	230.75
Undertaking given towards repayment of loan taken by the Company		1,837.92	1,837.92

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

Nature of transaction	Name of the party	As at 31st March 2020	As at 31st March 2019
Undertaking given towards repayment of loan taken by the Company	Talent Hotels Private Limited	2,375.26	2,375.26
Amount receivable	Treeo Resort Private Limited	2.05	2.38
Investment in equity shares	Fort Jadhav Gadh Hotels Private Limited	1.00	1.00
Investment in equity shares	Kamats Restaurant (India) Private Limited	1.00	1.00
Investment in equity shares	Orchid Hotels Eastern (India) Private Limited	1.00	1.00
Royalty payable	Dr.Vithal V. Kamat	4.87	3.41
Pledge of shares for term loan taken by the Company	Nagpur Ecohotel Private Limited	100.00	100.00
Pledge of shares for term loan taken by the Company	VITS Hotels (Bhubaneshwar) Private Limited	100.00	100.00

Notes:

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

(b) In addition to above transactions,

(i) Mahodadhi Palace Private Limited, Kamats Restaurant (India) Private Limited, Fort Jadhav Gadh Hotels Private Limited, Ilex Developers & Resorts Limited, Plaza Hotels Private Limited, Kamat Holiday Resorts (Silvassa) Limited, Dr. Vithal V. Kamat, Mr. Vikram V. Kamat have given joint corporate/personal guarantee amounting to Rs. 38,583.00 lakhs (Previous year: Rs. 38,583.00 lakhs) to banks/ others for credit facilities availed by the Company [Share of respective entities/ persons is not quantifiable].

(ii) Plaza Hotels Private Limited, Vishal Amusements Limited, Dr Vithal V. Kamat, Mr Vishal V. Kamat have given joint corporate/personal guarantee amounting to Rs. 1,800.00 lakhs (Previous year: Rs. 1,800.00 lakhs) to bank for credit facilities availed by the Company [Share of respective entities/ persons is not quantifiable].

(iii) KMP, relatives of KMP and entities in which KMP has significant influence have pledged equity shares held by them in the Company and other investments to the lenders for borrowing of the Company.

(iv) KMP and relatives of KMP and entities in which KMP has significant influence have pledged equity shares held by them in the Company, given personal guarantee and given land owned by them under equitable mortgage [Refer note 26.1(e)].

46.4 Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. In case of advances given to two wholly owned subsidiaries, Company has waived interest. For the year ended 31st March 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. Company has recorded impairment of receivable and investment in two subsidiaries and a joint venture entity in earlier years. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

46.5 The Company has paid remuneration to its executive chairman and managing director for the financial year ended 31st March 2020 which is in excess of the limits prescribed under section 197 of the Companies Act, 2013 (read with Schedule V) by Rs. 41.94 lakhs; the said excess managerial remuneration is subject to approval of shareholders at the upcoming general meeting.

47 Breakup of compensation to key managerial personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

(a) Compensation to KMP as specified in para 46.1 (c) above:

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Short term employee benefits	96.95	96.16
Post employment benefits*	9.50	9.50
Other long term benefits*	-	-
Total	**106.45**	**105.66**

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

(b) Compensation to KMP as specified in para 46.1 (e) above:[Other than given in 47(a)]

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Short term employee benefits	46.20	44.77
Post employment benefits*	-	-
Other long term benefits*	-	-
Sitting fees	7.00	8.40
Total	**53.20**	**53.17**

*As the liabilities for defined benefit plans are provided on actuarial basis for the Company as a whole, the amounts pertaining to Key Management Personnel are not included.

48 Earnings per share

Particulars	As at 31st March 2020	As at 31st March 2019
Basic and diluted earning per share		
Profit attributable to the equity holders of the Company	3,569.59	2,506.96
Weighted average number of equity shares (Excluding forfeited shares)	2,35,84,058	2,35,84,058
Face value per equity share (Rs.)	10	10
Basic and diluted earnings per share	15.14	10.63

49 Disclosure relating to employee benefits as per Ind AS 19 'Employee Benefits'

(i) Disclosures for defined contribution plan

The Company has certain defined contribution plans. The obligation of the Company is limited to the amount contributed and it has no further contractual obligation. Following are the details regarding Company's contributions made during the year:

Particulars	2019-2020	2018-2019
Provident fund	77.41	71.21
Pension fund	105.36	101.83
Employees' state insurance (ESIC)	38.97	61.15
Labour welfare fund	0.52	0.48
Total	**222.26**	**234.68**

(ii) Disclosures for defined benefit plans and other long term benefits

(a) Defined benefit obligations - Gratuity (funded)

The Company has a defined benefit gratuity plan for its employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, every employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the employee's length of service and salary at retirement age. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn) for each completed year of service as per the provisions of the Payment of Gratuity Act, 1972. The scheme is funded with insurance companies in the form of a qualifying insurance policy.

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

Risks associated with plan provisions

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follows:

Investment/ asset risk	All plan assets are maintained in a trust fund managed by a public sector insurer viz; LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The Company has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The Company has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured. Also interest rate and inflation risk are taken care of.
Interest rate risk	The defined benefit obligation is calculated using a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
Salary inflation risk	Higher than expected increases in salary will increase the defined benefit obligation.
Demographic risk	This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria.

For determination of the liability in respect of compensated gratuity, the Company has used following actuarial assumptions:

Particulars	**2019 - 2020**	**2018 - 2019**
Discount rate (per annum)	6.45%	7.15%
Rate of Return on Plan Assets (per annum)	6.45%	7.30%
Salary Escalation (per annum)	6.50%	6.50%
Attrition Rate (per annum)	**10.00%**	**10.00%**
Mortality Rate	As per Indian Assured lives Mortality (2012-14)	As per Indian Assured lives Mortality (2006-08)

Changes in the present value of obligations	**2019 - 2020**	**2018 - 2019**
Liability at the beginning of the year	358.75	317.14
Interest cost	23.25	20.73
Current service cost	52.78	47.70
Benefits paid	(33.73)	(20.34)
Actuarial (gain)/loss on obligations	(13.77)	(6.48)
Liability at the end of the year	**387.28**	**358.75**

Changes in the fair value of plan assets	**2019 - 2020**	**2018 - 2019**
Opening fair value of plan assets	126.01	128.97
Expected return on plan assets	8.50	8.73
Employers contribution	9.03	8.70
Benefits paid	(33.73)	(20.34)
Actuarial gain/(loss) on plan assets	(0.37)	(0.05)
Closing fair value of plan assets	**109.44**	**126.01**

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

Table of recognition of actuarial gain / loss	**2019 - 2020**	**2018 - 2019**
Actuarial (gain)/ loss on obligation for the year	(13.77)	(6.48)
Actuarial gain/ (loss) on assets for the year	(0.37)	(0.05)
Actuarial (gain)/ loss recognised in other comprehensive income	**(13.40)**	**(6.43)**

Breakup of actuarial (gain) /loss:	**2019 - 2020**	**2018 - 2019**
Actuarial loss/(gain) arising from change in demographic assumption	(0.03)	-
Actuarial loss arising from change in financial assumption	14.06	2.76
Actuarial loss/(gain) arising from experience	(27.80)	(9.24)
Actuarial gain/(loss) on plan assets	0.37	0.05
Total	**(13.40)**	**(6.43)**

Liability recognized in the Balance Sheet:	**As at 31st March 2020**	**As at 31st March 2019**
Liability at the end of the year	387.28	358.75
Fair value of plan assets at the end of the year	(109.44)	(126.01)
Liability recognized in Balance Sheet	**277.84**	**232.74**

Expenses recognized in the Income Statement:	**2019 - 2020**	**2018 - 2019**
Current service cost	52.78	47.70
Interest cost	23.25	20.73
Expected return on plan assets	(8.50)	(8.73)
Actuarial (Gain)/Loss	(13.40)	(6.43)
Expense/ (income) recognized in		
- Statement of Profit and Loss	67.53	59.70
- Other comprehensive income	(13.40)	(6.43)

Balance sheet reconciliation	**As at 31st March 2020**	**As at 31st March 2019**
Opening net liability	232.74	188.18
Expense recognised in Statement of Profit and Loss & OCI	54.13	53.26
LIC contribution during the year	(9.03)	(8.70)
Amount recognized in Balance Sheet	**277.84**	**232.74**
Non current portion of defined benefit obligation	222.17	179.96
Current portion of defined benefit obligation	55.67	52.78

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

Sensitivity analysis of benefit obligation (Gratuity)

Particulars	2019 - 2020	2018 - 2019
a)Impact of change in discount rate		
Present value of obligation at the end of the year		
a) Impact due to increase of 0.5%	377.14	349.70
b) Impact due to decrease of 0.5%	397.98	368.27
b)Impact of change in salary growth		
Present value of obligation at the end of the year		
a) Impact due to increase of 0.5%	397.83	367.75
b) Impact due to decrease of 0.5%	377.26	350.01
c)Impact of change in withdrawal rate		
Present value of obligation at the end of the year		
a) Withdrawal rate increase	385.82	357.57
b) Withdrawal rate decrease	388.76	359.60
d)Impact of change in mortality rate		
Present value of obligation at the end of the year		
a) Impact due to increase	387.33	358.81
b) Impact due to decrease	387.25	358.69

Maturity profile of defined benefit obligation

Particulars	As at 31st March 2020	As at 31st March 2019
Weighted average duration of the defined benefit obligation	5.51	5.47
Projected benefit obligation	387.29	358.75

Pay-out analysis

Particulars	As at 31st March 2020	As at 31st March 2019
1st year	72.03	67.07
2nd year	45.62	48.21
3rd year	44.26	42.92
4th year	41.02	39.83
5th year	37.29	36.09
Next 5 year pay-out (6-10 year)	171.06	160.41

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

(b) Compensated absences (non-funded)

As per the policy of the Company, obligations on account of benefit of accumulated leave of an employee is settled only on termination / retirement of the employee. Such liability is recognised on the basis of actuarial valuation following Project Unit Credit Method.

Risks associated with plan provisions

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follows:

Interest rate risk	The defined benefit obligation is calculated using a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
Salary inflation risk	Higher than expected increases in salary will increase the defined benefit obligation.
Demographic risk	This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria.

For determination of the liability in respect of compensated absences, the Company has used following actuarial assumptions:

Particulars	2019 - 2020	2018 - 2019
Discount rate	6.45%	7.15%
Salary escalation	6.50%	6.50%
Attrition rate	10.00%	10.00%
Mortality rate	Indian Assured lives Mortality (2012-14)	Indian Assured lives Mortality (2006-08)

Changes in the present value of obligations:

Particulars	2019 - 2020	2018 - 2019
Liability at the beginning of the year	343.83	290.25
Interest cost	20.50	17.28
Current service cost	65.13	65.03
Benefits paid	(80.17)	(56.35)
Actuarial (gain)/loss on obligations	(67.17)	27.62
Liability at the end of the year	**282.12**	**343.83**

Table of recognition of actuarial (gain) / loss :

Particulars	2019 - 2020	2018 - 2019
Actuarial (gain)/loss on obligation for the year	(67.17)	27.62
Actuarial (gain)/loss on assets for the year	-	-
Actuarial (gain)/loss recognized in Statement of Profit and Loss	**(67.17)**	**27.62**

Breakup of actuarial (gain) /loss:

Particulars	2019 - 2020	2018 - 2019
Actuarial loss/(gain) arising from change in demographic assumption	(0.01)	-
Actuarial loss arising from change in financial assumption	8.12	2.45
Actuarial loss/(gain) arising from experience	(75.28)	25.17
Total	**(67.17)**	**27.62**

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

Amount recognized in the Balance Sheet:

Particulars	As at 31st March 2020	As at 31st March 2019
Liability at the end of the year	282.12	343.83
Fair value of plan assets at the end of the year	-	-
Amount recognized in the Balance Sheet	**282.12**	**343.83**

Expenses recognized in the Statement of Profit and Loss:

Particulars	2019 - 2020	2018 - 2019
Current service cost	65.13	65.03
Interest cost	20.50	17.28
Expected return on plan assets	-	-
Benefits paid	(80.17)	(56.35)
Actuarial (gain)/loss	(67.17)	27.62
Expense recognized in Statement of Profit and Loss	**(61.71)**	**53.58**

Balance Sheet Reconciliation

Particulars	As at 31st March 2020	As at 31st March 2019
Opening net liability	343.83	290.25
Expense recognised in Statement of Profit and Loss	(61.71)	53.58
Amount recognized in Balance Sheet	**282.12**	**343.83**
Non-current portion of defined benefit obligation	200.88	256.12
Current portion of defined benefit obligation	81.24	87.71

Sensitivity analysis of benefit obligation (Leave encashment)

Particulars	2019 - 2020	2018 - 2019
a)Impact of change in discount rate		
Present value of obligation at the end of the year		
a) Impact due to increase of 0.5%	254.51	309.22
b) Impact due to decrease of 0.5%	266.52	325.70
b)Impact of change in salary growth		
Present value of obligation at the end of the year		
a) Impact due to increase of 0.5%	266.48	325.71
b) Impact due to decrease of 0.5%	254.49	309.14
c)Impact of change in withdrawal rate		
Present value of obligation at the end of the year		
a) Withdrawal rate increase	260.30	317.29
b) Withdrawal rate decrease	260.42	317.06
d)Impact of change in mortality rate		
Present value of obligation at the end of the year		
a) Impact due to increase	260.37	317.26
b) Impact due to decrease	260.36	317.22

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

Maturity profile of defined benefit obligation

Particulars	As at 31st March 2020	As at 31st March 2019
Projected benefit obligation	282.12	234.61

Pay-out analysis

Particulars	As at 31st March 2020	As at 31st March 2019
1st year	59.48	61.12
2nd year	35.77	43.86
3rd year	35.51	38.68
4th year	28.56	34.27
5th year	25.83	31.32
Next 5 year pay-out (6-10 year)	97.63	128.41

50 Leases

A Disclosure for the year ended 31st March 2020:

I) Company as lessee:

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

Note:

a) With respect to hotel properties/ land taken under lease/ operation and management arrangement, Company is liable to pay management fees/ rent based on gross operating profits, revenue etc. Since future revenue is contingent in nature, other disclosures as required under Ind AS 116 - 'Leases' are not quantifiable with respect to such arrangements as at 31st March 2020.

b) The Company has adopted Ind AS 116 'Leases' with the date of initial application being 1st April 2019. Ind AS 116 replaces Ind AS 17 'Leases' and related interpretation and guidance. The Company had made transition adjustment as per para C8(c)(ii) of Ind AS 116, i.e. prospective implementation without changing opening balance of reserves. Consequently, amounts of 'depreciation & amortisation', 'finance cost' and 'other expenses' are not comparable with previous year. Also refer note 3.12 for accounting policy on leases.

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

ROU asset	Carrying value as at year ended 31st March 2020	Depreciation for the year
Land & building	104.17	8.44

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

Particulars	FY 19-20
Interest expense on lease liabilities	24.95
Lease expenses in case of short term leases	-
Lease expenses in case of low value leases (other than short term as disclosed above)	-
Lease expenses debited to lease liabilities	24.47
Total cash outflow for leases [incl. short term & low value leases]	24.47
Additions to ROU assets (including additions as on 1st April 2019)	112.61
Variable lease payments not considered in measurement of lease liabilities	395.05
Income from subleasing ROU assets	-

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

e) Disclosure for impact of changes in accounting policy

As indicated in note 3.12, the Company has adopted Ind AS 116 – "Leases" retrospectively from 1st April, 2019, but has not restated comparatives for the 31st March, 2019 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new standard are therefore recognised in the opening balance sheet on 1st April, 2019 as given below:

Particulars	**As at 1st April 2019**
Right-of-use assets	108.34
Financial liability- Lease liabilities - current	20.05
Financial liability -Lease liabilities - non-current	88.29

The Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right-of use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 31st March, 2019. The Company's weighted average incremental borrowing rate applied to the lease liabilities on 1st April, 2019 was 22.00% .

On account of adoption of Ind AS 116, profit before tax has decreased by Rs. 8.92 lakhs for the year ended 31st March, 2020. In applying Ind AS 116 – "Leases" for the first time, the Company has used the practical expedients provided by the standard and therefore has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review, excluded initial direct costs from measuring the right of use asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease. The Company has used a single discount rate to a portfolio of leases with similar characteristics.

Measurement of lease liabilities

Particulars	**2019-20**
Operating lease commitments disclosed as at 31st March, 2019 (excluding contingent lease payment)	346.82
Discounted using the lessee's incremental borrowing rate of at the date of initial application	346.82
Low-value leases not recognised as a liability	-

Further, the difference between the lease obligation recorded as of 31st March, 2019 under Ind AS 17 disclosed under note 47 of the standalone financial statements for the year ended 31st March 2019 and the value of the lease liability as of 1st April, 2019 is primarily on account of extension options reasonably certain to be exercised, in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.

II) Where the Company is a lessor

The Company is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor. The Company has given shops, office premises and hotel property under operating lease under non-cancellable operating leases. The Company had recognised management fees or royalty income of Rs. 212.75 lakhs. Maturity analysis of minimum lease income (undiscounted and excluding variable lease income) for above lease arrangement are as follows:

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

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

Note:

With respect to hotel property given under operation and management agreement, Company gets management fees calculated based on percentage of revenue earned by the lessee from this property. Since future revenue is based on percentage of revenue which is contingent in nature, other disclosures as required under Ind AS 116 - 'Leases' are not quantifiable with respect to such arrangement as at 31st March 2020.

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

B Disclosure for year ended 31st March 2019

(a) Asset given under operating lease

The Company has given shops, office premises and hotel property under operating lease under non-cancellable operating leases. The Company had recognised management fees or royalty income of Rs. 177.65 lakhs. The contractual future minimum lease payment receivables in respect of these leases are:

Particulars	As at 31st March 2019
Not later than one year	95.41
Later than one year and not later than five years	16.54
Later than five years	-
	111.95

Total contingent rent income (in the form of management or royalty fees) recognised is Rs. 8.96 lakhs.

Note:

(i) With respect to hotel property given under operation and management agreement, Company gets management fees calculated based on percentage of revenue earned by the lessee from this property. Since future revenue is based on percentage of revenue which is contingent in nature, other disclosures as required under Ind AS 17 - 'Leases' are not quantifiable with respect to such arrangement as at 31st March 2019.

(b) Asset taken under operating lease

The Company has taken hotel property under operating lease under non-cancellable operating leases. The Company has recognised management fees/ rent expenses of Rs. 451.40 lakhs. The contractual future minimum lease payable in respect of these leases are:

Particulars	As at 31st March 2019
Not later than one year	20.79
Later than one year and not later than five year	88.47
Later than five year	237.56
	346.82

Total contingent rent expenses (in the form of royalty and management fees) recognised in Rs. 409.67 lakhs.

Note:

(i) With respect to hotel properties/ land taken under lease/ operation and management arrangement, Company is liable to pay management fees/ rent based on gross operating profits, revenue etc. Since future revenue is contingent in nature, other disclosures as required under Ind AS 17 - 'Leases' are not quantifiable with respect to such arrangements as at 31st March 2019.

51 Disclosure pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 186(4) of the Companies Act, 2013 in respect of loans and advances in the nature of loans:

Loans and advances in the nature of loans given to subsidiaries are for business purposes. Refer note 46 for corporate guarantee given and investment in securities:

Name of the entity	As at 31st March 2020		As at 31st March 2019	
	Maximum amount outstanding	Balance outstanding	Maximum amount outstanding	Balance outstanding
Wholly owned subsidiaries				
Orchid Hotels Pune Private Limited	19,646.40	19,646.40	19,646.40	19,646.40
Mahodadhi Palace Private Limited	418.74	418.74	418.74	418.74
Fort Jadhav Gadh Hotels Private Limited	-	-	0.03	-
Kamats Restaurant (India) Private Limited	-	-	0.04	-
Orchid Hotels Eastern (India) Private Limited (Formerly known as Green Dot Restaurants Private Limited)	-	-	0.02	-

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

52 Note on Cash Flow Statement

i) The aggregate amount of inflow on account of direct taxes is Rs. 17.78 lakhs (previous year outfow of Rs. 222.25 lakhs) net of paid.

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

Particulars	1st April 2019	Cash flows	Non-cash changes	31st March 2020
Borrowings (including interest dues)	30,154.54	(3,210.71)	2,369.28	24,574.55

Particulars	1st April 2018	Cash flows	Non-cash changes	31st March 2019
Borrowings (including interest dues)	35,332.79	(5,178.25)	-	30,154.54

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

Particulars	As at 31st March 2020	As at 31st March 2019
Cash and cash equivalent as per note 19	252.82	357.37
Less: Bank balance - book overdraft as per note 34 (net of movement)	204.62	419.01
Less: Fixed deposits not considered as cash & cash equivalent	-	74.10
Net cash and cash equivalent	48.20	(135.74)
Less: Cash and cash equivalent shown under financing activity	-	135.74
Net cash and cash equivalent as disclosed in cash flow statement above	**48.20**	**-**

53 Disclosures as required by Indian Accounting Standard (Ind AS) 108 - Operating Segments

There are no reportable segments under Ind AS-108 ‘Operating Segments’ as the Company is operating only in the hospitality service segment, therefore, disclosures of segment wise information is not applicable. Further, no single customer represents 10% or more of the Company's total revenue during the year ended 31st March 2020 and 31st March 2019.

54 Going concern assumption

There are accumulated losses and current liabilities exceed the current assets as on 31st March 2020 and 31st March 2019. Further, in respect of loans, there are delays in repayment of principal, payment of interest and overdue instalments as at 31st March, 2020. In the opinion of the management, considering the future business prospects, management's action to mitigate the impact of COVID-19 as described in note 55, management's request for seeking extension of the loan dues as stated in note 26.7(b) and the fact that the fair values of the assets of the Company are significantly higher than the borrowings/debts, these standalone financial statements have been prepared on a going concern basis which contemplates realisation of assets and settlement of liabilities in the normal course of Company’s business.

55 COVID-19 impact

Due to outbreak of COVID-19 pandemic, there is a significant impact on the business operations of the Company during the lockdown period. With the lifting of the partial lockdown restrictions by Central and State Governments, the Company has re-opened its hotels in Orissa from 11th June, 2020 after establishing thorough and well-rehearsed safety measures. The Company has re-opened its hotels in Mumbai to cater to the guests quarantined under Vande Bharat Mission. The Company expects the demand for its services to pick up at a slower pace once lockdown is completely lifted and recovery in business to be driven by domestic and international leisure and business travel. The Company has carried out impairment assessment for the carrying value of property, plant & equipment, right of use asset, intangible assets, trade receivables, inventories and other assets based on the internal and external information upto the date of approval of these standalone financial statements 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 26.7(b), the Company has requested its lenders for extension of payment of dues in view of the challenges faced account of shut down of the hotels. The impact of the global health pandemic may be different from that estimated as at the date of approval of these standalone financial statements and the Company will continue to monitor the future economic conditions and assess its impact on standalone financial statements.

55A During the current year, Company's one hotel property in Orissa was affected due to ‘Cyclone Fani’. Net block of assets destroyed is Rs. Nil. The Company has filed the insurance claim and received partial amount as advance in the current year. However, pending final approval, insurance claim is not recognised as revenue in the current year ended 31st March 2020.

56 Financial instruments - Accounting classifications & fair value measurement

(a) Financial instruments by category

Sr. No.	Particulars	31st March 2020			31st March 2019		
		Amortised Cost	FVTOCI	FVTPL	Amortised Cost	FVTOCI	FVTPL
A	**Financial assets**						
(i)	Non-current investments	-	-	15.32	-	-	11.02
(ii)	Other non-current financial asset	1,955.56	-	-	1,859.50	-	-
(iii)	Trade receivables (net)	987.12	-	-	1,110.78	-	-

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

Sr. No.	Particulars	31st March 2020			31st March 2019		
		Amortised Cost	FVTOCI	FVTPL	Amortised Cost	FVTOCI	FVTPL
(iv)	Cash and cash equivalents	252.82	-	-	357.37	-	-
(v)	Other bank balances	67.86			77.46		
(vi)	Other current financial assets	20.53	-	-	14.74	-	-
(vii)	Investments	3.81	-	-	5.25	-	-
(viii)	Loans	13.52	-	-	13.80	-	-
	Total financial assets	**3,301.22**	**-**	**15.32**	**3,438.90**	**-**	**11.02**
B	**Financial liabilities**						
(i)	Borrowings- non-current	18,684.68	-	-	24,112.67	-	-
(ii)	Lease liabilities - non-current	96.52	-	-	-	-	-
(iii)	Other non-current financial liabilities	119.86	-	-	110.49	-	-
(iv)	Trade payables	2,463.02	-	-	1,954.84	-	-
(v)	Lease liabilities - current	16.57	-	-	-	-	-
(vi)	Other current financial liabilities	9,417.21	-	-	8,743.04	-	-
	Total financial liabilities	**30,797.86**	**-**	**-**	**34,921.04**	**-**	**-**

FVTOCI - Fair Value Through Other Comprehensive Income

FVTPL - Fair Value Through Profit or Loss

Note: Above disclosure excludes investments (gross) joint venture amounting to Rs. 9,864.74 lakhs as on 31st March, 2020 (Previous year: Rs. 9,864.74 lakhs) as these are valued at cost in accordance with Ind As 27 "Separate Financial Statement "

(b) Fair valuation techniques

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The management assessed that fair value of Trade receivables (net), Cash and cash equivalents, Other current financial assets, Trade payables, Current lease liabilities and Other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Further, the management has assessed that fair value of other financial asset and liabilities will be approximate to their carrying amounts as they are priced to market interest rates on or near the end of reporting period.

(c) Fair value hierarchy

Financial assets and financial liabilities are measured at fair value in the financial statement and are grouped into three levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

(d) Financial assets / liabilities measured at fair value

The following table represents the fair value hierarchy of assets and liabilities measured at fair value on a recurring basis.

Particulars	Level	31st March 2020		31st March 2019	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets					
Non-current investments	Level 1	0.03	0.02	0.03	0.06
Non-current investments	Level 2	5.01	15.30	5.01	10.96
Total financial assets		**5.04**	**15.32**	**5.04**	**11.02**

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

(e) Fair value of instruments measured at amortised cost:

Particulars	Level	31st March 2020		31st March 2019	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets					
Loans	Level 3	1,955.56	1,955.56	1,859.50	1,859.50
Total financial assets		**1,955.56**	**1,955.56**	**1,859.50**	**1,859.50**
Financial liabilities					
Borrowings	Level 3	19,817.97	18,684.68	22,876.68	24,112.67
Lease liabilities - non-current	Level 3	96.52	96.52	-	-
Other financial liabilities	Level 3	176.69	119.86	202.66	110.49
Total financial liabilities		**20,091.18**	**18,901.06**	**23,079.34**	**24,223.16**

Notes:

(i) The above disclosures are given only for non-current financial assets and non-current financial liabilities. Short term financial assets and current financial liabilities (investment, cash and cash equivalents, other receivables, trade payables, current lease liabilities and other current financial liabilities) represents the best estimate of fair value.

(ii) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

(iii) There have been no transfers between Level 1 and Level 2 for the years ended March 31, 2020 and March 31, 2019.

57 Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee reports regularly to the Board of Directors on its activities. The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by internal audit team. Internal audit team undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk;
- Market risk

(a) Credit risk :

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instruments fail to meet its contractual obligations. The Company is exposed mainly to credit risk which arises from cash and cash equivalents and deposit with banks.

(i) Cash and cash equivalent

The Company considers factors such as track record, size of institution, market reputation and service standards to select the banks with which balances and deposits are maintained. The bank balance and fixed deposits are generally maintained with the banks with whom the Company has regular transactions. Further, the Company does not maintain significant cash in hand other than those required for its day to day operations. Considering the same, the Company is not exposed to expected credit loss of cash and cash equivalent and bank deposits.

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

(ii) Trade receivables

The major exposure to the credit risk at the reporting date is primarily from receivable comprising of trade receivables. Credit risk on receivable is limited due to the Company's diverse customer base. The effective monitoring and controlling of credit risk through credit evaluations is a core competency of the Company's risk management system.

For expected credit loss of trade receivable, Company follows simplified approach as per which provision is made for receivable exceeding six months/ one year based on category of receivable. This is based on historically observed default rates over the expected life of trade receivables. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

The Reconciliation of Expected Credit Allowance (ECL) is as given below:

Particulars	31st March 2020	31st March 2019
Balance at the beginning	1,461.96	1,493.62
Less: Utilized	13.71	69.54
	1,448.25	1,424.08
Add/(Less): Provision for ECL made in the year / (written back)	(34.16)	37.88
Balance at the year end	**1,414.09**	**1,461.96**

(b) Liquidity risk :

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows to ensure it has sufficient cash to meet operational needs. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance and compliance with internal statement of financial position ratio targets.

(i) Maturities of financial liabilities:

The following are the remaining contractual maturities of financial liabilities at the reporting date:

Particulars	Less than 1 year	1 to 5 year	Above 5 years	Total
As at 31st March 2020				
Borrowings	-	18,684.68	-	**18,684.68**
Lease liabilities	16.57	43.95	52.57	**113.09**
Trade payables	2,463.02	-	-	**2,463.02**
Other financial liabilities	96.69	-	23.17	**119.86**
Other current financial liabilities	9,417.21	-	-	**9,417.21**
As at 31st March 2019				
Borrowings	-	24,112.67	-	**24,112.67**
Lease liabilities	-	-	-	**-**
Trade payables	1,954.84	-	-	**1,954.84**
Other non-current financial liabilities	-	89.80	20.69	**110.49**
Other current financial liabilities	8,743.04	-	-	**8,743.04**

(c) Market risk

Market risk is the risk that the changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The pre dominant currency of the Company's revenue and operating cash flows is Indian Rupees (INR). Company has earnings in foreign currency. There is no foreign currency risk as there is no outstanding foreign currency exposure at the year end.

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

(i) **Interest Rate Risk**

The Company has taken term loans from bank and others (including loan assigned by banks on one time settlement). With respect to loans which are settled with banks or assigned to asset reconstruction companies aggregating to Rs. 3,581.90 lakhs as at 31st March 2020 (as at 31st March 2019 Rs. 27,378.79 lakhs) , there is no interest payable. With respect to loan taken from bank during the year, interest rate is fixed and other borrowings attracts fixed rate of interest. Therefore, there are no interest rate risks, since neither the carrying amount nor the future cash flows will fluctuate because of change in market interest rates.

(ii) Foreign Currency Risk

The pre dominant currency of the Company's revenue and operating cash flows is Indian Rupees (INR). Company has earnings in foreign currency, however it has no exposure in foreign currency at the year end. Considering the same, there is no foreign currency risk to the Company.

58 Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern so, that they can continue to provide returns for shareholders and benefits for other stakeholders and maintain an optimal capital structure to reduce cost of capital. The Company manages its capital structure and make adjustments to, in light of changes in economic conditions, and the risk characteristics of underlying assets. In order to achieve this overall objective, the Company’s capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define the capital structure requirements.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. The ratio is calculated as net debt divided by equity. Net debt is calculated as total borrowing (including current and non-current terms loans as shown in the balance sheet).

The Company monitors capital using 'Total Debt' to 'Equity'. The Company's Total Debt to Equity are as follows:

Particulars	As at 31st March 2020	As at 31st March 2019
Total debt*	24,574.55	30,154.54
Total capital (total equity shareholder's fund)	847.07	(2,732.03)
Net debt to equity ratio	29.01	(11.04)

* Total debt = Non-current borrowings + current maturities of non-current borrowings

As per our audit report of even date

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

Sandeep Shah
Partner
Membership No. 37381

Place: Mumbai
Date: 30th July, 2020

For and on behalf of the Board of Directors

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

Dinkar D. Jadhav
Director
(DIN : 01809881)

Smita Nanda
Chief Financial Officer

Shruti Shrivastav
Company Secretary

Place: Mumbai
Date: 30th July, 2020

KAMAT HOTELS (INDIA) LIMITED

Independent Auditors' Report

To,
The Members of
Kamat Hotels (India) Limited

Report on the audit of consolidated financial statements

We have audited the accompanying consolidated financial statements of Kamat Hotels (India) Limited (hereinafter referred to as 'the Holding Company'), its five wholly owned subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and Joint Venture Entity ('JV'), comprising the Consolidated Balance Sheet as at 31st March, 2020, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, of financial position of the Group as at 31st March 2020, and its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis of qualified opinion

With respect to one of the subsidiaries (Orchid Hotels Pune Private Limited) reference is invited to note 34.1(a) of notes to the consolidated financial statements. 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 previous year, IARC had acquired this loan on assignment from Asset Reconstruction Company India Limited ('ARCIL') at a consideration of Rs. 13,500 lakhs. Interest has not been provided from 1st October 2013 till 31st March 2020. In our view, the same is not in compliance with Ind AS 23 - Borrowing Cost. In the opinion of the management, no further liability for interest is required to be accounted considering the negotiations for settlement of the loan (including interest) is under process and management's expectation that settlement amount would not be higher than the amounts already recorded in the books. Further, the change in claim, if any, by the lender from 25th December 2018 till 31st March 2020 has not been considered above.

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

Our opinion was qualified in our independent audit report for financial year 2018-2019 dated 27th May 2019 also.

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

Material uncertainty related to going concern

Reference is invited to note 54(i), 54(ii) and 54(iii) of the consolidated financial statements, which indicates that there, is material uncertainty related to continuity as going concern of the Holding Company, OHPPL (subsidiary company), MPPL (subsidiary company) respectively and note 54(iv) related to material uncertainty related to going concern at Group level. In consolidated financial statements, material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern on account of accumulated losses, negative net worth and negative working capital in Holding Company and two subsidiaries as mentioned in those notes. For preparation of standalone financials statements of Holding Company and two subsidiaries, going concern assumption is considered appropriate by the management as appropriate steps are being taken to mitigate the impact of accumulated losses, improve the cash flows, management's request for seeking extension of the loan dues where applicable [also refer para (c) in Emphasis of matter paragraph below], management's action to mitigate the impact of COVID-19 as described in note 57 of the consolidated financial statements and also fair value of the assets of Holding Company are significantly higher than the borrowing/ debts. In view of the above and in the opinion of management, the consolidated financial statements have also been prepared on a going concern basis.

Our opinion is not modified in respect of above matter. Further, the 'Material uncertainty related to going concern' para given above was also reported in our independent audit report for the financial year 2018-2019 dated 27th May 2019. Our opinion was not modified in respect of above matter in the previous year also.

Emphasis of matters

(a) Attention is invited to note 34.2 of the consolidated financial statements. In respect of dispute over lease rent levied by Director of Sports, subsidiary company (OHPPL) has accounted for the liability amounting to Rs. 1,405.94 lakhs for the period from 1st November 2014 to 31st March 2020; however, the same has not been paid pending arbitration application before Hon'ble Bombay High Court and pending matter in the District Court, Pune. Further, during the current year, the Hon'ble Bombay High Court has appointed sole arbitrator to resolve the disputes. Interest / penalty, if any, will be accounted in the year in which dispute will be resolved.

(b) Attention is invited to note 26.5(b) & 44.1 of the consolidated financial statements. During the current year, the Holding Company has written back loan amounting to Rs. 2,369.28 lakhs, on account of allocation between the principal amount of loan and interest in respect of installments to be paid by the Holding Company in accordance with modified terms and conditions of the loan as per letter dated 29th January 2020 issued by a lender. Further, the effective interest rate (EIR) has been recomputed based on the revised principal amount. The management of the Holding Company is of the view that the de-recognition and consequent the write back of loan and re-computation of EIR has been done in accordance with the qualitative parameters permitted in Ind AS 109 – 'Financial Instruments' on the basis of opinion obtained from an expert and its ability to make prepayment of loan. This being a subjective matter, we have relied on the management of Holding Company's view for the above de-recognition and reversal of liability. The write back of loan is disclosed as exceptional item.

(c) Attention is invited to note 26.7(b) of the consolidated financial statements. In respect of Holding Company, during the current year, there are delays in repayment of principal, payment of interest and there are unpaid instalments amounting to Rs. 1,934.00 lakhs which were due/ overdue as on 31st March 2020. The Holding Company has requested all lenders in the month of March 2020 for the extension of the dues considering the impact on account of COVID-19. We are informed that though written confirmation from all the lenders for extension are awaited, all lenders have agreed for the extension either verbally or has given in principle approval. In view of the above, in the opinion of the management, event of default is not triggered in any case and therefore, there is no other accounting implications and reclassification of non-current borrowings to current liabilities is not required as at 31st March 2020. 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 2020 as required by SEBI circular dated 21st November 2019.

(d) Attention is invited to note 47.5 of the consolidated financial statements. The Holding Company has paid remuneration to its executive chairman and managing director for the financial year ended 31st March 2020 which is in excess of the limits prescribed under section 197 of the Act (read with Schedule V of the Act) by Rs. 41.94 lakhs; the said excess managerial remuneration is subject to approval of shareholders at the upcoming general meeting.

(e) Attention is invited to note 57 of the consolidated financial statements, in respect of the possible effect of uncertainties relating to COVID-19 pandemic on the Group and joint venture's financial performance as assessed by the management.

(f) Attention is invited to note 56 of the consolidated financial statements that the subsidiary company (OHPPL), is in the process of appointing Chief Financial Officer and Company Secretary (key managerial personnel) as required by Section 203 of the Companies Act, 2013.

Our opinion is not modified in respect of the above matters. Further, matter stated in point (a) of the 'Emphasis of Matter' given above was also reported in our independent audit report for the financial year 2018-2019 dated 27th May 2019 and our opinion was not modified in the previous year also.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the 'Basis of Qualified Opinion', 'Material Uncertainty Related to Going Concern' and 'Emphasis of Matter' section above, we have determined the matter described below to be the key audit matter to be communicated in our report.

Key Audit Matter	**How our audit addressed the Key Audit Matter**
Write back of loan amounting to Rs. 2,369.28 lakhs and disclosed as exceptional item and recomputation of effective interest rate (EIR) in Holding Company: Refer note 26.5(b) & 43.1 of the consolidated financial statements. During the current year, the Holding Company has written back loan amounting to Rs. 2,369.28 lakhs recomputed EIR, on account of allocation between the principal amount of loan and interest in respect of installments to be paid by the Holding Company in accordance with modified terms and conditions of the loan as per letter dated 29th January 2020 issued by a lender.	This matter is discussed with the management of Holding Company. We have verified the letter given by the lender for allocation between the principal amount of loan and interest. The management of Holding Company is of the view that the de-recognition and consequent the write back of loan and re-computation of EIR has been done in accordance with the qualitative parameters permitted in Ind AS 109 – 'Financial Instruments' on the basis of opinion obtained from an expert and its ability to make prepayment of loan. We have received the copy of the opinion of the expert. This being a subjective matter, we have relied on the Holding Company's management's view and expert opinion for the above de-recognition and reversal of liability. We have drawn reference of the matter in para(b) of 'Emphasis of Matter' above.
Provision for impairment of property, plant and equipment in subsidiary company We refer to note 5.4 & 5.5 of notes to consolidated financial statements. The subsidiary company (Orchid Hotels Pune Private Limited) in earlier financial year had provided for impairment loss on leasehold building amounting to Rs. 21,400.09 lakhs. Based on the management's review of the recoverable value in respect to net block of fixed assets as on 31st March 2020, provision for impairment loss amounting to Rs. 532.20 lakhs is recognised in current year. Total amount of impairment loss recognised till 31st March 2020 including earlier year is Rs. 21,932.29 lakhs.	We assessed the appropriateness of the carrying value of the tangible assets by performing the following audit procedures: - Assessed the valuation methodology used by management and tested the mechanical accuracy of the impairment models; - Evaluated the reasonableness of the valuation assumptions, such as discount rates, used by management through reference to external market data; - Verified the appropriateness of the business assumptions used by the management, such as revenue growth, profit margin, occupancy level. - Considered whether events or transactions that occurred after the balance sheet date but before the reporting date affect the conclusions reached on the carrying values of the assets and associated disclosures. We are satisfied that management's tangible impairments estimates are reasonable in accordance with Ind AS and further provision made for impairment of property, plant and equipment is appropriate.

Key Audit Matter	How our audit addressed the Key Audit Matter
Disputed lease rent payable Refer ‘Emphasis of Matter’ para given above.	We have verified the status update of the legal case pending with Hon’ble High Court of Bombay and District Court. Also obtained management explanation for the status of legal dispute. We have drawn reference of the matter under ‘Emphasis of Matter’ para above.

Other matters

Due to COVID-19 related lockdown, we could not be present during physical verification of inventories carried out by respective management of Group, where applicable. We have relied on the same and performed alternate procedures to audit the existence of inventory as at year end.

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

Information other than the consolidated financial statements and auditor’s report thereon

The Holding Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board’s Report including Annexures to Board’s Report, Business Responsibility Report, Corporate Governance and Shareholder’s Information, but does not include the consolidated financial statements and our auditor’s report thereon. These reports are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and make other appropriate reporting as prescribed.

Responsibilities of management and those charged with governance for the consolidated financial statements

The Holding Company’s Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group and JV in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

The respective Board of directors of companies included in the Group and JV are also responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and JV and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation cand maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company.

Auditor’s responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its JV to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its JV to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. There are no other entities included in the consolidated financial statements, which have been audited by other auditors. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

1. As required by Section 143 (3) of the Act, we report that:

   a) Except in respect of matter specified in the Basis for Qualified Opinion paragraph above, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit for the aforesaid consolidated financial statements.

   b) Except for the effects of the matters described in the Basis of Qualified Opinion paragraph above, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (Including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) Except for the effects of the matters described in the Basis of Qualified Opinion paragraph above which is not in accordance with Ind AS 23 – Borrowing Cost, in our opinion, the consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Holding Company, subsidiaries and joint venture entity as on 31st March 2020 taken on record by the Board of Directors of the Holding Company and these companies, none of the directors are disqualified as on 31st March 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) The matters described in 'Basis of Qualified Opinion' paragraph, 'Material Uncertainty related to Going Concern' paragraph and para (a), (c) and (e) of 'Emphasis of Matter' paragraph, in our opinion may have an adverse impact on the functioning of the Group and JV.

   g) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A" which is based on the auditor's reports of the companies included in the Group and JV incorporated in India.

   h) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.

   i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its executive chairman and managing director for the financial year ended 31st March 2020 which is in excess of the limits prescribed under section 197 of the Act (read with Schedule V of the Act) by Rs. 41.94 lakhs; the said excess managerial remuneration is subject to approval of shareholders at the upcoming general meeting [also refer para (d) in Emphasis of matter paragraph above]. In respect of its subsidiary companies and one JV, these entities have not paid or provided for any managerial remuneration, hence section 197 of the Act is not applicable.

j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. The impact of pending litigations, if any, on its financial position has been disclosed in consolidated financial statements - Refer note 34.2, 43.1, 43.2, 45.3 and 45.4.

   ii. The Group and JV did not have any long term contract including derivative contracts for which there are any material foreseeable losses.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company.

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

Sandeep Shah
Partner
Membership No.: 37381
UDIN: 20037381AAAACQ2422

Place: Mumbai
Date: 30th July 2020

Report on the internal financial controls under section 143(3)(i) of the Companies Act, 2013 (“the Act”)

Opinion

In conjunction with our audit of the consolidated financial statements of Company as of and for the year ended 31st March 2020, we have audited the internal financial controls over financial reporting of Kamat Hotels (India) Limited (hereinafter referred to as “the Company” and “the Holding Company”), its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”) and its Joint Venture Entity (‘JV’) which are companies incorporated in India, as of that date.

In our opinion, the companies included in the Group and JV, have in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, based on the internal control over financial reporting criteria established by these companies, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (‘the Guidance Note’) issued by the Institute of Chartered Accountants of India (ICAI).

Responsibilities of management and those charged with governance for internal financial controls over financial reporting

The respective Board of Directors of the companies included in the Holding Company, its subsidiaries and JV incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by respective companies considering the essential components of internal controls stated in the Guidance Note issued by the ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors’ responsibility

Our responsibility is to express an opinion on the Internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on internal financial controls system over financial reporting of the Holding Company, its subsidiaries and its joint venture entity, which are incorporated in India.

Meaning of internal financial controls over financial reporting

The internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. The Holding Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Holding Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Holding Company are being made only in accordance with authorizations of management and directors of the Holding Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Holding Company's assets that could have a material effect on the consolidated financial statements.

Inherent limitations of internal financial controls over financial reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate

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

Sandeep Shah
Partner
Membership No. 37381
UDIN : 20037381AAAACQ2422

Place: Mumbai
Date: 30th July 2020

KAMAT HOTELS (INDIA) LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2020

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

	Particulars	NOTE NO.	As at 31st March 2020	As at 31st March 2019
	ASSETS			
A	**Non-current assets**			
	a) Property, plant and equipment	5	34,305.08	36,291.76
	b) Right to use assets	6	1,840.56	-
	c) Intangible assets	7	88.44	78.42
	d) Capital work-in-progress	8	521.22	27.34
	e) Intangible assets under development	9	-	3.45
	f) Investment property	10	1,058.19	1,082.50
	g) Financial assets			
	i) Investments in subsidiaries & joint venture	11	108.51	451.48
	ii) Investments	12	15.32	11.02
	iii) Loans	13	2,023.28	1,960.41
	iv) Other financial assets	13A	9.86	6.25
	h) Income tax assets (Net)	14	991.37	1,451.73
	i) Other non current assets	15	3,667.82	3,843.72
	(A)		**44,629.65**	**45,208.08**
B	**Current assets**			
	a) Inventories	16	314.17	336.36
	b) Financial assets			
	i) Investments	17	3.81	5.25
	ii) Trade receivables	18	1,006.52	1,263.75
	iii) Cash and cash equivalents	19	1,535.19	800.32
	iv) Bank balances other than (iii) above	20	108.96	151.56
	v) Loans	21	13.61	13.80
	vi) Other current financial assets	22	70.90	16.82
	c) Income tax assets (Net)	22A	316.64	-
	d) Other current assets	23	569.93	600.92
	(B)		**3,939.73**	**3,188.78**
	TOTAL (A + B)		**48,569.38**	**48,396.86**
	EQUITY AND LIABILITIES			
A	**Equity**			
	a) Equity share capital	24	2,417.26	2,417.26
	b) Other equity	25	(14,716.35)	(17,201.15)
	(A)		**(12,299.09)**	**(14,783.89)**
	Liabilities			
B	**Non-current liabilities**			
	a) Financial liabilities			
	i) Borrowings	26	20,622.70	26,016.58
	ii) Lease liabilities	27	1,666.52	-
	iii) Other financial liabilities	28	119.86	110.49
	b) Other non-current liabilities	29	453.32	527.79
	c) Provisions	30	505.87	322.42
	d) Deferred tax liabilities (Net)	31	2,408.40	2,655.08
	(B)		**25,776.67**	**29,632.36**
C	**Current liabilities**			
	a) Financial liabilities			
	i) Trade payables	32		
	- Amount due to Micro and small enterprises		267.19	216.79
	- Amount due to other than Micro and small enterprises		2,399.22	1,835.33
	ii) Lease liabilities	33	223.22	-
	iii) Other financial liabilities	34	29,937.82	29,095.81
	b) Other current liabilities	35	2,120.93	2,074.31
	c) Provisions	36	143.36	326.15
	d) Current tax liabilities (net)	37	0.06	-
	(C)		**35,091.80**	**33,548.39**
	TOTAL (A+B+C)		**48,569.38**	**48,396.86**
	Significant accounting policies and notes to consolidated financial statements	**1 to 61**		

The notes referred to above form an integral part of the standalone financial statements
As per our audit report of even date

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

For and on behalf of the Board of Directors

Sandeep Shah
Partner
Membership No. 37381

Place: Mumbai
Date: 30th July, 2020

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

Dinkar D. Jadhav
Director
(DIN : 01809881)

Smita Nanda
Chief Financial Officer

Shruti Shrivastav
Company Secretary

Place: Mumbai
Date: 30th July, 2020

KAMAT HOTELS (INDIA) LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

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

	Particulars	NOTE NO.	Year ended 31st March 2020	Year ended 31st March 2019
A	**Income**			
	Revenue from operations	38	22,198.07	23,609.00
	Other income	39	141.43	211.35
	Total income (A)		**22,339.50**	**23,820.35**
B	**Expenses**			
	Cost of materials consumed	40	2,037.49	2,260.80
	Employee benefit expenses	41	5,694.47	5,539.06
	Finance costs	42	3,730.63	2,205.07
	Depreciation and amortisation	5, 6, 7 & 10	1,815.41	1,834.11
	Other expenses	43	8,128.18	8,610.53
	Total expenses (B)		**21,406.18**	**20,449.57**
C	**Profit before share of profit / (loss) of joint venture, exceptional items & tax (A - B) (C)**		**933.32**	**3,370.78**
D	Share of profit from joint venture accounted for using equity method		(29.10)	28.93
E	**Profit before exceptional items & tax (C + D) (E)**		**904.22**	**3,399.71**
F	Exceptional item - Income/(expense) - net	44	1,523.21	(634.44)
G	**Profit before tax (E - F)**		**2,427.43**	**2,765.27**
H	**Tax expense:**			
	- Current tax	14	297.97	100.01
	- MAT credit availed		-	(0.11)
	- Income tax for earlier years		(99.87)	0.67
	- Deferred tax charge/ (credit)	31	(361.41)	946.17
	- Deferred tax for prior period		113.26	29.97
	Total tax expense (E)		**(50.05)**	**1,076.71**
I	**Profit/(loss) after tax (G - H) (I)**		**2,477.48**	**1,688.56**
J	**Other comprehensive income / (loss)**			
	a) (i) Items not to be reclassified subsequently to Statement of Profit and Loss			
	- Remeasurement of defined benefit plans - gain/(loss)		11.22	4.84
	(ii) Income tax relating to items that will be classified to profit or loss		(3.90)	(1.87)
	b) (i) Items that will be reclassified subsequently to statement of Profit and Loss		-	-
	(ii) Income tax relating to items that will be classified to profit or loss		-	-
	Other comprehensive income/ (loss) for the year (J)		**7.32**	**2.97**
K	**Total comprehensive income/ (loss) for the year (I + J)**		**2,484.80**	**1,691.53**
L	**Profit/(loss) for the year attributable to:**			
	a) To owners of parent		2,477.48	1,688.56
	b) To Non controlling interest		-	-
	Other comprehensive income/(loss) attributable to:			
	a) To owners of parent		7.32	2.97
	b) To Non controlling interest		-	-
	Basic and diluted earnings/ (loss) per share	49	**10.50**	**7.16**
	Equity shares [Face value of Rs. 10 each]			
	Significant accounting policies and notes to consolidated financial statements	**1 to 61**		

The notes referred to above form an integral part of the standalone financial statements
As per our audit report of even date

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

Sandeep Shah
Partner
Membership No. 37381

Place: Mumbai
Date: 30th July, 2020

For and on behalf of the Board of Directors

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

Dinkar D. Jadhav
Director
(DIN : 01809881)

Smita Nanda
Chief Financial Officer

Shruti Shrivastav
Company Secretary

Place: Mumbai
Date: 30th July, 2020

KAMAT HOTELS (INDIA) LIMITED

Consolidated statement of changes in equity for the year ended 31st March 2020

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

(a) Equity share capital

Particulars	As at 31st March 2020	As at 31st March 2019
Opening balance	2,417.26	2,417.26
Changes in equity share capital during the year	-	-
Closing balance	**2,417.26**	**2,417.26**

(Refer note 24)

(b) Other equity

Particulars	Reserves & surplus					OCI*	Total other equity
	Capital Reserve	Capital Redemption Reserve	Securities Premium	Amalgamation Reserve	Retained Earnings	Remeasurement gain/ (loss) of defined benefit plan	
Balance as at 1st April, 2018	13.87	266.50	14,986.74	280.06	(34,465.88)	26.02	(18,892.69)
Profit for the year	-	-	-	-	1,688.56	-	1,688.56
Other adjustments	-	-	-	-	-	-	-
Other comprehensive income/ (loss) for the year (net)	-	-	-	-	-	2.97	2.97
Prior period adjustments (Refer note 25.5)							-
Balance as at 31st March 2019	**13.87**	**266.50**	**14,986.74**	**280.06**	**(32,777.31)**	**28.99**	**(17,201.15)**
Profit for the year	-	-	-	-	2,477.48	-	2,477.48
Other comprehensive income/ (loss) for the year	-	-	-	-	-	7.32	7.32
Balance as at 31st March 2020	**13.87**	**266.50**	**14,986.74**	**280.06**	**(30,299.83)**	**36.31**	**(14,716.35)**

(Refer note 25)

*Other comprehensive income

As per our audit report of even date

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

Sandeep Shah
Partner
Membership No. 37381

Place: Mumbai
Date: 30th July, 2020

For and on behalf of the Board of Directors

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

Dinkar D. Jadhav
Director
(DIN : 01809881)

Smita Nanda
Chief Financial Officer

Shruti Shrivastav
Company Secretary

Place: Mumbai
Date: 30th July, 2020

KAMAT HOTELS (INDIA) LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

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

	Particulars	NOTE	Year ended 31st March 2020	Year ended 31st March 2019
A.	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Profit /(loss) before taxes and other comprehensive income		2,427.43	2,765.27
	Adjustments for:			
	Finance cost		3,730.62	2,205.07
	Interest income		(58.57)	(114.81)
	Depreciation and amortization		1,815.41	1,834.11
	Bad debts and advances written off		13.71	247.25
	Capital advance written off (exceptional item)		-	634.44
	Provision for expected credit loss and doubtful debt advances		(75.11)	63.57
	Provision for impairment in investment in subsidiary (exceptional item)		532.20	-
	Provision for impairment in investment in joint venture (exceptional item)		313.87	-
	Provision for doubtful custom duty receivable		45.00	-
	Loss on sale/ discard of fixed assets		122.23	23.63
	Share of (profit) / loss of joint venture (accounted as per equity method)		29.10	(28.93)
	Reduction in liability towards long term borrowings (exceptional item)		(2,369.28)	
	Dividend income		(0.43)	(0.43)
	Operating profit / (loss) before working capital changes		**6,526.18**	**7,629.17**
	Movements in working capital : [Including Current and Non-current]			
	(Increase) / decrease in loans, trade receivable and other assets		318.01	428.15
	(Increase) / decrease in inventories		22.18	8.35
	Increase / (decrease) in trade payable, other liabilities and provisions		661.21	48.91
	Adjustment for:		7,527.58	8,114.58
	Direct taxes paid (including tax deducted at source)		(56.50)	(220.11)
	Net cash generated/ (used in) from operating activities…(A)		**7,471.08**	**7,894.47**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Purchase of property, plant and equipment (Including capital work in progress and capital advances)		(904.17)	(774.33)
	Sale of property, plant and equipment		2.50	12.33
	Proceeds from sale/ redemption of investment		-	(0.22)
	Movement in long term loans and advances		(30.00)	-
	Repayment received of loans and advances given		30.00	-
	Interest income		43.96	108.41
	Dividend income		0.43	0.43
	(Increase)/decrease in bank balance [Current and non-current] (other than cash and cash equivalent)		6.80	(18.46)
			(850.48)	**(671.84)**
	Adjustment for:			
	Direct taxes (paid)/ refund received (including tax deducted at source) - (Net)		(4.80)	(10.29)
	Net cash (used in) / from investing activities… (B)		**(855.28)**	**(682.13)**

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

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

	Particulars	NOTE	Year ended 31st March 2020	Year ended 31st March 2019
C.	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Proceeds from long term borrowings		34.13	2,838.19
	Repayment of long term borrowings		(3,210.71)	(8,015.59)
	Proceeds from short term borrowings		-	17.21
	Repayment of short term borrowings		-	(72.38)
	Interest paid (Including other borrowing cost)		(2,583.87)	(2,129.78)
	Payments of lease liabilities (Refer note 51)		(41.83)	-
	Net cash (used in) / from financing activities… (C)		**(5,802.28)**	**(7,362.35)**
	Net increase / (decrease) in cash and cash equivalents (A+ B+C)		**813.52**	**(150.01)**
	Cash and cash equivalents at beginning of the year		381.31	531.32
	Cash and cash equivalents at end of the year		1,194.83	381.31
	Net increase / (decrease) in cash and cash equivalents		**813.52**	**(150.01)**

Notes:

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

(ii) Refer note 52 for other cash flow statement related notes.

Significant accounting policies and notes to consolidated financial statements **1 to 61**

Notes referred to herein above form an integral part of the standalone financial statements
As per our audit report of even date

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

For and on behalf of the Board of Directors

Sandeep Shah
Partner
Membership No. 37381

Place: Mumbai
Date: 30th July, 2020

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

Dinkar D. Jadhav
Director
(DIN : 01809881)

Smita Nanda
Chief Financial Officer

Shruti Shrivastav
Company Secretary

Place: Mumbai
Date: 30th July, 2020

Notes on Consolidated financial statements for the year ended 31st March 2019

1. **Background**

Kamat Hotels (India) Limited (hereinafter referred to as 'the Parent Company', 'the Company' or 'Holding Company') is a public Company domiciled in India. Holding company together with its wholly owned subsidiary ('subsidiaries') is referred to as "the Group". The Holding Company's shares are listed on two stock exchanges in India. The Group and joint venture entity is in the hospitality business. Currently, it has hotels in the states of Maharashtra (Mumbai, Pune, Nashik, Murud), Goa (Benaulim) and Orissa (Puri, Konark and Bhubneshwar).

The financial statements of the Group for the year ended 31st March 2020 were approved and adopted by board of directors in their meeting held on 30th July 2020.

2. **Basis of preparation, principles of consolidation and equity accounting, critical accounting estimates and judgements, significant accounting policies and recent accounting pronouncements**

2.1. Principles of consolidation

(a) Subsidiaries

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of that entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intra-Group transactions, balances and unrealised gains on transactions between entities within the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and the Consolidated Balance Sheet respectively

(b) Joint Venture

Joint ventures are joint arrangements whereby the parties that have joint control of the arrangements have rights to the net assets and obligations for the liabilities, relating to the arrangement. Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the Consolidated Balance sheet.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in the Consolidated Statement of Profit and Loss, and the Group's share of other comprehensive income of the investee in Other Comprehensive Income. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealised gains on transactions between the Group and its Joint Ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group. The carrying amount of equity accounted investments are tested for impairment

The financial statements of subsidiaries and joint venture consolidated are drawn upto the same reporting date as that of the Holding Company.

(c) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity. When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in Other Comprehensive Income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in Other Comprehensive Income are reclassified to the Statement of Profit and Loss. If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in Other Comprehensive Income are reclassified to the Statement of Profit and Loss where appropriate

(d) Goodwill

i. Goodwill comprises the portion of the purchase price for an acquisition that exceeds the Group's share in the identifiable assets, with deductions for liabilities, calculated on the date of acquisition.

ii. Goodwill arising from the acquisition of associates and joint ventures is included in the carrying value of the investment in associates and joint ventures.

iii. Goodwill is deemed to have an indefinite useful life and is reported at acquisition value with deduction for accumulated impairments. An impairment test of goodwill is conducted once every year or more often if there is an indication of a decrease in value. The impairment loss on goodwill is reported in the statement of profit and loss. The impairment assessment is based on value in use. The recoverable amount is calculated based on value in use which has been determined based on business plans that have been approved by management for internal purposes. Key assumptions used for calculation of value in use are Earnings before interest and taxes (EBIT), Discount rate, Growth rates and Capital expenditures

(e) The subsidiaries and jointly controlled entity (all incorporated in India) considered in consolidated financial statements and its country of incorporation is as tabulated below:

Sr. no.	Name of the entity	Proportion of interest (including beneficial interest) / voting power (either directly/ indirectly through subsidiary)	
		As at 31st March 2020	**As at 31st March 2019**
	Subsidiary Companies		
1	Orchid Hotels Pune Private Limited ('OHPPL')	100%	100%
2	Kamat Restaurants (India) Private Limited ('KRIPL')	100%	100%
3	Fort Jadhavgadh Hotels Private Limited ('FJHPL')	100%	100%
4	Mahodadhi Palace Private Limited ('MPPL')	100%	100%
5	Orchid Hotel Eastern (India) Private Limited (Formerly known as Green Dot Restaurants Private Limited) ('OHEIPL)	100%	100%
	Jointly Controlled Entity		
6	Ilex Developers & Resorts Limited ('IDRL')	32.92%	32.92%

2.2. Statement of compliance with Ind AS

The financial statements (on consolidated basis) of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time [Also refer note 34.1(a)].

2.3. Functional and presentation of currency

The financial statements are prepared in Indian Rupees which is also the Group's functional currency. All amounts are rounded to the nearest rupees in lakhs.

2.4. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal market or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:

Level 1 – Unadjusted quoted price in active markets for identical assets and liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – unobservable inputs for the asset or liability

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy.

Fair values have been determined for measurement and / or disclosure purpose using methods as prescribed in "Ind AS 113 Fair Value Measurement".

2.5. Use of significant accounting estimates, judgements and assumptions

The preparation of these consolidated financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosure of contingent liabilities as on the date of consolidated financial statements and reported amounts of income and expenses for the periods presented. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Significant estimates and critical judgement in applying these accounting policies are described below:

i) Property, plant & equipment and Intangible assets

The Group has estimated the useful life, residual value and method of depreciation / amortisation of property, plant & equipment and intangible assets based on its internal technical assessment. Property, plant & equipment and intangible assets represent a significant proportion of the asset base of the Group. Further, the Group has estimated that scrap value of property, plant & equipment would be able to cover the residual value & decommissioning costs of property, plant & equipment.

Therefore, the estimates and assumptions made to determine useful life, residual value, method of depreciation / amortisation and decommissioning costs are critical to the Group's financial position and performance.

ii) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on industry practice, Group's past history and existing market conditions as well as forward looking estimates at the end of each reporting period.

iii) Impairment of property plant and equipment

In the previous year, management of the subsidiary company (OHPPL) had reviewed the recoverable value in respect to net block of property, plant and equipment and based on such assessment (including offers received pursuant to action initiated by the lender) provision for impairment loss amounting to Rs. 532.20 lakhs has been recognized during the current year. Total amount of impairment loss recognized till 31st March 2020 including earlier year is Rs. 21,932.29 lakhs.

iv) Contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies / claim / litigations against the Group as it is not possible to predict the outcome of pending matters with accuracy.

v) Income taxes

Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the statement of profit and loss.

vi) Measurement of defined benefit plan & other long term benefits

The cost of the defined benefit gratuity plan / other long term benefits and the present value of the gratuity obligation / other long term benefits are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation / other long term benefits is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

vii) Loyalty programme

The Group estimates the fair value of points awarded under the Loyalty programme based on past use of points by customer and expect use in future for loyalty points.

viii) Going concern

Material uncertainty exists that may cast doubt on the Group’s ability to continue as a going concern on account of accumulated losses, negative net worth and negative working capital in Holding company and two subsidiaries. For preparation of standalone financials statements of Holding Company and two subsidiaries, going concern assumption is considered appropriate by the management as appropriate steps are being taken to mitigate the impact of accumulated losses, improve the cash flows, management's request for seeking extension of the loan dues where applicable, management's action to mitigate the impact of COVID-19 as described in note 57 of the consolidated financial statements and also fair value of the assets of Holding Company are significantly higher than the borrowing/debts.and as mentioned in note 51(i) to 51(iv) of the consolidated financial statements. In view of the above and in the opinion of management, the consolidated financial statements of the Group have also been prepared on a going concern basis.

ix) Impairment of investment in joint venture

The carrying amount of equity accounted investments are tested for impairment. In accordance with Ind AS 36 – Impairment of assets, the management of the joint venture (JV) company has reviewed the recoverable value in respect of net block of property, plant & equipment as on 31st March 2020. Based on such assessment, management of holding company also has carried out assessment of recoverable value of the investment in JV in the consolidated financial statements. Based on such assessment, provision for impairment loss against investment amounting to Rs. 313.87 lakhs, has been recognized during the year ended 31st March 2020. The same is disclosed as exceptional item (Refer note 44).

3. Significant Accounting Policies

3.1. Presentation and disclosure of consolidatedfinancial statement

All assets and liabilities have been classified as current and non-current as per Group’s normal operating cycle and other criteria set out in the division II of Schedule III of the Companies Act, 2013 for a group whose consolidated financial statements are made in compliance with the Companies (India Accounting Standards) Rules, 2015.

Based on the nature of service i.e. hospitality and the time between rendering of services and their realization in cash and cash equivalents, 12 months has been considered by the Group for the purpose of current / non-current classification of assets and liabilities.

3.2. Property, Plant and Equipment and Depreciation

Recognition and measurement

Properties plant and equipment are stated at their cost of acquisition. Cost of an item of property, plant and equipment includes purchase price including non-refundable taxes and duties, borrowing cost directly attributable to the qualifying asset, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and the present value of the expected cost for the dismantling/ decommissioning of the asset.

Parts (major components) of an item of property, plant and equipments having different useful lives are accounted as separate items of property, plant and equipments.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Capital work-in-progress comprises of cost incurred on property, plant and equipment under construction / acquisition that are not yet ready for their intended use at the Balance Sheet Date.

Depreciation and useful lives

Depreciation on the property, plant and equipment (other than freehold land and capital work in progress) is provided on a straight-line method (SLM) over their useful lives which is in consonance of useful life mentioned in Schedule II to the Companies Act, 2013.

Building on leasehold lands and improvements to building on leasehold land / premises are amortized over the period of lease or useful life whichever is lower. Capital expenditure on rebranding and upgradation of the hotel property are amortized over the period of 3 years. Capital expenditure on rebranding and upgradation of the hotel property are amortized over the period of 3 years.

Leasehold land considered as finance lease is amortized over the period of lease.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted prospectively.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is de-recognised.

3.3. Intangible assets and amortisation

Recognition and measurement

Intangible assets are recognized only if it is probable that the future economic benefits attributable to asset will flow to the Group and the cost of asset can be measured reliably. Intangible assets are stated at cost of acquisition/development less accumulated amortization and accumulated impairment loss if any.

Cost of an intangible asset includes purchase price including non - refundable taxes and duties, borrowing cost directly attributable to the qualifying asset and any directly attributable expenditure on making the asset ready for its intended use.

Intangible assets under development comprises of cost incurred on intangible assets under development that are not yet ready for their intended use as at the Balance Sheet date.

Amortization and useful lives

- Computer softwares are amortized in 10 years on straight line basis.
- Branding cost incurred are amortised over the period of 3 years.

In case of assets purchased during the year, amortization on such assets is calculated on pro-rata basis from the date of such addition. Amortisation methods and useful lives are reviewed at each financial year end and adjusted prospectively.

3.4. Investment property and depreciation

Investment Property is property (land or a building – or a part of a building – or both) held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in production or supply of goods and services or for administrative purposes. Investment properties are stated at cost net of accumulated depreciation and accumulated impairment losses, if any.

Any gain or loss on disposal of investment property calculated as the difference between net proceeds from disposal and the carrying amount of Investment Property is recognized in Statement of Profit and Loss.

Depreciation and useful lives

Depreciation on the investment property (other than freehold land) is provided on a straight-line method (SLM) over their useful lives which are in consonance of useful life mentioned in Schedule II to the Companies Act, 2013.

Building on leasehold lands and improvements to building on leasehold land / premises are amortized over the period of lease or useful life whichever is lower. Capital expenditure on rebranding and upgradation are amortized over the period of 3 years.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted prospectively.

3.5. Impairment of non-financial assets

The carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of a) fair value of assets less cost of disposal and b) its value in use. Value in use is the present value of future cash flows expected to derive from an assets or Cash-Generating Unit (CGU).

Based on the assessment done at each balance sheet date, recognised impairment loss is further provided or reversed depending on changes in circumstances. After recognition of impairment loss or reversal of impairment loss as applicable, the depreciation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life. If the conditions leading to recognition of impairment losses no longer exist or have decreased, impairment losses recognised are reversed to the extent it does not exceed the carrying amount that would have been determined after considering depreciation / amortisation had no impairment loss been recognised in earlier years.

3.6. Inventories

Inventories comprises of stock of food, beverages, stores and operating supplies and are valued at lower of cost (computed on weighted average basis) or net realizable value. Purchase of operating supplies (other than initial acquisition during the pre-commencement of the hotel and commencement of new restaurants / outlets) is charged to statement of profit and loss in the year of consumptions. The cost comprises of cost of purchases, duties and taxes (other than those subsequently recoverable) and other costs incurred in bringing them to their present location and condition. Cost of inventories is arrived at after providing for cost of obsolescence.

3.7. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government and discounts given to the customers.

(i) Revenue from sale of rooms, banquets, food & beverages and allied services are recognised upon rendering of service. Revenue is recognized net of indirect taxes.

(ii) Initial non-refundable membership fee is recognised as income over the period of validity of membership which reflects the expected utilization of membership benefits.

(iii) Annual membership fees collected from members [in respect of both under refundable and non-refundable membership scheme] are recognised as income on time proportion basis.

(iv) Management fees under hotel management arrangement are recognised in accordance with terms of the arrangement.

(v) The Group operates loyalty programme, which allows its eligible customers to earn points based on their spending at the hotels. The points so earned by such customers are accumulated. The revenues allocated to award points is deferred and revenue is recognised on redemption of the award points towards the services utilized.

(vi) Dividend income on investments is accounted for in the year in which the right to receive is established, which is generally when shareholders approve the dividend.

(vii) For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the statement of profit and loss.

(viii) Income from rentals are recognized as an income in the Statement of Profit and Loss on a straight-line basis over the lease term.

(ix) Export incentives / benefits are recognised as income in the statement of profit and loss when the right to receive payment/credit is established and no significant uncertainty as to measurability or collectability exists.

3.8. Government grants

Government grants are recognized in the period to which they relate when there is reasonable assurance that the grant will be received and that the Group will comply with the attached conditions. Government grants are recognized in the statement of profit and loss on systematic basis over a period in which the Group recognizes as expenses the related costs for which the grants are intended to compensate.

3.9. Foreign currency transaction

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. As at the Balance Sheet date, foreign currency monetary items are translated at closing exchange rate. Exchange difference arising on settlement or translation of foreign currency monetary items are recognised as income or expense in the year in which they arise.

Foreign currency non-monetary items which are carried at historical cost are reported using the exchange rate at the date of transactions.

3.10. Employee benefits

- Short term employee benefits

  All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss in the period in which the employee renders the related service.

- Post-employment benefits & other long term benefits

  a. Defined contribution plan

  The defined contribution plan (where applicable) is a post-employment benefit plan under which the Group contributes fixed contribution to a Government Administered Fund and will have no obligation to pay further contribution. The Group's defined contribution plan comprises of Provident Fund, Labour Welfare Fund and Employee State Insurance Scheme. The Group's contribution to defined contribution plans are recognized in the Statement of Profit and Loss in the period in which the employee renders the related service.

  b. Post-employment benefit and other long term benefits

  The Group has defined benefit plans (where applicable) comprises of gratuity and other long term benefits in the form of leave benefits and long service rewards. In case of Holding Company, obligation towards gratuity liability is funded plan and is managed by Life Insurance Corporation of India (LIC) and in case of subsidiaries it is unfunded. The present value of the defined benefit obligations and certain other long term employee benefits [privilege leave and sick leave] is determined based on actuarial valuation using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations.

  For gratuity plan, re-measurements comprising of (a) actuarial gains and losses, (b) the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and (c) the return on plan assets (excluding amounts included in net interest on the post-employment benefits liability) are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Such re-measurements are not reclassified to statement of profit and loss in subsequent periods.

The expected return on plan assets is the Group's expectation of average long-term rate of return on the investment of the fund over the entire life of the related obligation. Plan assets are measured at fair value as at the Balance Sheet date.

The interest cost on defined benefit obligation and expected return on plan assets is recognised under finance cost.

Gains or losses on the curtailment or settlement of defined benefit plan are recognised when the curtailment or settlement occurs.

Actuarial gains or losses arising on account of experience adjustment and the effect of changes in actuarial assumptions for other employee benefit plan [other than gratuity] are recognized immediately in the Statement of Profit and Loss as income or expense.

The cost of providing benefit under long service awards scheme is determined on the basis of estimated average cost of providing service and calculated arithmetically considering materiality.

3.11. Borrowing cost

Borrowing costs (net of interest income on temporary investments) that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the respective asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Ancillary cost of borrowings in respect of loans not disbursed are carried forward and accounted as borrowing cost in the year of disbursement of loan. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest expenses calculated as per effective interest method, exchange difference arising from foreign currency borrowings to the extent they are treated as an adjustment to the borrowing cost and other costs that an entity incurs in connection with the borrowing of funds.

3.12. Leases

Policy applicable from 1st April, 2019:

Where Group is lessee:

The Group has applied Ind AS 116 - "Leases" from 1st April, 2019 using the modified retrospective approach by applying para C8(b)(ii) of Appendix C of Ind AS 116 and therefore the comparative information has not been restated and continues to be reported under Ind AS 17 – "Leases".

Right-of-use assets were measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 31st March, 2019. The details of the changes in accounting policies are disclosed in note 51(A)(I)(e) of the consolidated financial statements.

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

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

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

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

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

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

Lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Where Group is lessor

Assets acquired on leases where a significant portion of risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rental are charged to statement of profit and loss on straight-line basis.

Policy applicable before 1st April, 2019:

The Group determines whether an arrangement contains a lease by assessing whether the fulfillment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to use that asset to the Group in return for payment. Where this occurs, the arrangement is deemed to include a lease and is accounted for either as finance or operating lease. Leases are classified as finance leases where the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Where Group is lessee

Operating lease - Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where scheduled increase in rent compensates the Group with expected inflationary costs. Payment for leasehold land is amortised over the period of lease or useful life whichever is lower.

Finance lease – Finance leases are capitalised at the commencement of lease, at the lower of the fair value of the property or the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the Statement of Profit and Loss over the period of the lease.

Where Group is lessor

Assets given on leases where a significant portion of risk and rewards of ownership are retained by the Group are classified as operating leases. Lease rental income are recognised in the Statement of Profit and Loss on straight-line basis except where scheduled increase in rent compensate the lessor for expected inflationary costs.

3.13. Taxes on income

Tax expenses for the year comprises of current tax, deferred tax charge or credit and adjustments of taxes for earlier years. In respect of amounts adjusted outside profit or loss (i.e. in other comprehensive income or equity), the corresponding tax effect, if any, is also adjusted outside profit or loss.

Provision for current tax is made as per the provisions of Income Tax Act, 1961.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, and deferred tax assets are recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which such deferred tax assets can be utilized. In situations where there is unused tax losses and unused tax credits, deferred tax assets are recognised only if it is probable that they can be utilized against future taxable profits. Deferred tax assets are reviewed for the appropriateness of their respective carrying amounts at each Balance Sheet date.

Minimum Alternative Tax ("MAT") credit is recognised as an asset only when and to the extent it is probable that Group will pay normal income tax during the specified period.

At each reporting date, the Group re-assesses unrecognised deferred tax assets. It recognises previously unrecognised deferred tax assets to the extent that it has become probable that future taxable profit allow deferred tax assets to be recovered.

3.14. Cash and cash equivalent

Cash and cash equivalents include cash in hand, bank balances, deposits with banks (other than on lien) and all short term and highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

For the purpose of cash flow statement, cash and cash equivalent as calculated above also includes outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

3.15. Cash flow statement

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

3.16. Provisions, contingent liabilities, contingent assets

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

The Group does not recognize a contingent asset but discloses its existence in the financial statements if the inflow of economic benefits is probable. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

3.17. Earnings per share

Basic earnings per share is computed using the net profit for the year attributable to the shareholders' and weighted average number of shares outstanding during the year. The weighted average numbers of shares also includes fixed number of equity shares that are issuable on conversion of compulsorily convertible preference shares, debentures or any other instrument, from the date consideration is receivable (generally the date of their issue) of such instruments.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholder' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

3.18. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.18.1. Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the “Other income” line item.

Investments in equity instruments at FVTOCI

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the ‘Reserve for equity instruments through other comprehensive income’. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- It has been acquired principally for the purpose of selling it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument or a financial guarantee. Dividends on these investments in equity instruments are recognised in profit or loss when the Group’s right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss are included in the ‘Other income’ line item.

Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the ‘Other income’ line item. Dividend on financial assets at FVTPL is recognised when the Group’s right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Group recognizes loss allowances using the expected credit loss (ECL) model based on ‘simplified approach’ for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the twelve month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required tobe recognized is recognized as an impairment gain or loss in statement of profit and loss.

De-recognition of financial asset

The Group de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On de-recognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

3.18.2. Financial liability and equity instrument

Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs. Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for de-recognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Group that are designated by the Group as at fair value through profit or loss are recognised in profit or loss.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability or (where appropriate) a shorter period, to the gross carrying amount on initial recognition.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

Commitments to provide a loan at a below-market interest rate

Commitments to provide a loan at a below-market interest rate are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

Compound financial instruments

The liability component of a compound financial instrument is recognised initially at fair value of a similar liability that does not have an equity component. The equity component is recognised initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and the equity components, if material, in proportion to their initial carrying amounts.

Subsequent to the initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest rate method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Reclassification

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Groupreclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

De-recognition of financial liabilities

The Group de-recognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in profit or loss.

2. **New standard issued and existing standards modified**

The following standards issued / modified by MCA become effective w.e.f. 1st April 2019 and the Group has adopted these standards.

Particulars
New Ind AS issued *
Ind AS 116 – Leases
Modification to existing Ind AS *
Ind AS 12 – Income Taxes • Uncertainty over income tax treatments • Clarification for recognition of income tax consequences of dividends in profit or loss
Ind AS 109 – Financial Instruments
Ind AS 28 – Investments in associates and joint ventures
Ind AS 19 – Employee benefits
Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements
Ind AS 23 – Borrowing costs

* Does not include modification to existing other Ind AS due to issue of new Ind AS.

Refer note 51(A)(I)(e) of the consolidated financial statements for impact of Ind AS 116. In respect of amendments in other Ind AS, in the view of management, there is no material impact on the consolidated financial statements.

On 24th July 2020, the Ministry of Corporate Affairs (MCA) has notified following amendment to existing Ind AS which are applicable from 1st April 2020. These amendments are effective from 1st April, 2020 and the Group and is JV are in process of evaluating the impact of these changes.

i) Ind AS 103 – Business Combinations

ii) Ind AS 107 – Financial Instruments: Disclosures

iii) Ind AS 109 – Financial instruments

iv) Ind AS 116 – Leases

v) Ind AS 1 – Presentation of Financial Statements

vi) Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

vii) Ind AS 10 – Events after the Reporting Period

viii) Ind AS 34 – Interim Financial Reporting

ix) Ind AS 37– Provisions, Contingent Liabilities and Contingent Assets

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

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Property, plant and equipment	Freehold land	Leasehold land (Financial lease)	Building	Leasehold improvements (Refer note 5.2, 5.3, 5.4 & 5.5)	Plant & equipment	Furniture & fixtures	Vehicles	Office equipments	Total
Gross carrying value									
Balance as at 31st March, 2018	2,561.08	361.82	6,511.36	49,177.42	4,204.91	380.91	21.47	75.97	63,294.94
Additions during the year 2018-2019	-	-	-	444.23	241.88	24.64	8.48	18.41	737.64
Deletions during the year 2018-2019	-	-	-	13.30	21.80	2.83	0.54	0.02	38.49
Balance as at 31st March, 2019	**2,561.08**	**361.82**	**6,511.36**	**49,608.35**	**4,424.99**	**402.72**	**29.41**	**94.36**	**63,994.09**
Additions during the year 2019-2020	-	-	3.94	319.39	201.95	56.04	9.08	15.11	605.51
Deletions during the year 2019-2020	-	-	-	414.24	34.98	7.52	1.67	1.26	459.67
Balance as at 31st March, 2020	**2,561.08**	**361.82**	**6,515.30**	**49,513.50**	**4,591.96**	**451.24**	**36.82**	**108.21**	**64,139.93**
Accumulated depreciation									
Balance as at 31st March, 2018 (Refer note 5.4)	-	19.66	285.51	24,211.20	1,203.87	153.63	6.02	25.73	25,905.62
Additions during the year 2018-2019	-	5.88	132.89	1,078.02	490.72	71.35	3.42	17.24	1,799.52
Deletions during the year 2018-2019	-	-	-	0.45	2.28	0.05	-	-	2.78
Balance as at 31st March, 2019	**-**	**25.54**	**418.40**	**25,288.77**	**1,692.31**	**224.93**	**9.44**	**42.97**	**27,702.36**
Additions during the year 2019-2020	-	5.90	132.32	1,151.10	382.30	39.18	4.35	18.67	1,733.82
Deletions during the year 2019-2020	-	-	-	113.83	11.94	6.34	0.48	0.93	133.52
Impairment loss (Refer note 5.5)	-	-	-	532.20	-	-	-	-	532.20
Balance as at 31st March, 2020	**-**	**31.44**	**550.72**	**26,858.24**	**2,062.67**	**257.77**	**13.31**	**60.71**	**29,834.86**
Net carrying amount									
Balance as at 31st March, 2019	2,561.08	336.28	6,092.96	24,319.59	2,732.68	177.79	19.97	51.39	36,291.76
Balance as at 31st March, 2020	**2,561.08**	**330.38**	**5,964.58**	**22,655.26**	**2,529.29**	**193.47**	**23.51**	**47.50**	**34,305.08**

Notes:

5.1 For details of assets given as security, refer note 26.1 and 34.1(c).

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

5.3 Addition to building on lease hold land and lease hold improvement includes capital expenditure of Rs. Nil (Previous year: 380.92 lakhs) for rebranding and upgradation of the hotel property in one of the subsidiary company (Orchid Hotels Pune Private Limited).

5.4 Accumulated depreciation of 'lease hold improvement' as at 31st March, 2018 is net of impairment loss of Rs. 21,400.09 lakhs in respect of the subsidiary company (Orchid Hotels Pune Private Limited).

5.5 Based on management's assessment of net recoverable value of property, plant and equipment, the subsidiary company (Orchid Hotels Pune Private Limited) has provided for impairment loss of Rs. 532.20 lakhs in the current year. Total provision for impairment loss till 31st March 2020 amounts to Rs. 21,932.29 lakhs.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

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Rights of use assets (Refer note 51)	Land & building	Total
Gross carrying value		
Balance as at 31st March, 2018	-	-
Additions during the year 2018-2019	-	-
Deletions during the year 2018-2019	-	-
Balance as at 31st March, 2019	**-**	**-**
Additions during the year 2019-2020	1,887.48	1,887.48
Deletions during the year 2019-2020	1.81	1.81
Balance as at 31st March, 2020	**1,885.67**	**1,885.67**
Accumulated depreciation		
Balance as at 31st March, 2018	-	-
Additions during the year 2018-2019	-	-
Deletions during the year 2018-2019	-	-
Balance as at 31st March, 2019	**-**	**-**
Additions during the year 2019-2020	45.11	45.11
Deletions during the year 2019-2020	-	-
Balance as at 31st March, 2020	**45.11**	**45.11**
Net carrying amount		
Balance as at 31st March, 2019	-	-
Balance as at 31st March, 2020	**1,840.56**	**1,840.56**

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Other intangible assets	Software	Total
Gross carrying value		
Balance as at 31st March, 2018	66.38	66.38
Additions during the year 2018-2019	30.93	30.93
Deletions during the year 2018-2019	0.34	0.34
Balance as at 31st March, 2019	**96.97**	**96.97**
Additions during the year 2019-2020	22.16	22.16
Deletions during the year 2019-2020	-	-
Balance as at 31st March, 2020	**119.13**	**119.13**
Accumulated depreciation		
Balance as at 31st March, 2018	8.84	8.84
Additions during the year 2018-2019	9.79	9.79
Deletions during the year 2018-2019	0.09	0.09
Balance as at 31st March, 2019	**18.54**	**18.54**
Additions during the year 2019-2020	12.15	12.15
Deletions during the year 2019-2020	-	-
Balance as at 31st March, 2020	**30.69**	**30.69**
Net carrying amount		
Balance as at 31st March, 2019	78.42	78.42
Balance as at 31st March, 2020	**88.44**	**88.44**

7.1 Software is other than internally generated software.

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

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

8	Capital work in progress	As at 31st March 2020	As at 31st March 2019
	Opening balance	27.34	48.21
	Add: Additions during the year	1,121.55	673.32
	Less: Capitalised during the year	627.67	694.19
	Closing balance	**521.22**	**27.34**

9	Intangible asset under development	As at 31st March 2020	As at 31st March 2019
	Opening balance	3.45	-
	Add: Additions during the year	2.60	3.45
	Less: Capitalised during the year	6.05	-
	Closing balance	**-**	**3.45**

10	Investment property	Freehold land	Building	Building on leasehold land (Refer note 9.4)	Total
	Gross carrying value as at 1st April, 2018	178.09	28.34	950.85	1,157.28
	Additions during the year 2018-2019	-	-	-	-
	Deletions during the year 2018-2019	-	-	-	-
	Balance as at 31st March, 2019	**178.09**	**28.34**	**950.85**	**1,157.28**
	Additions during the year 2019-2020	-	-	-	-
	Deletions during the year 2019-2020	-	-	-	-
	Balance as at 31st March, 2020	**178.09**	**28.34**	**950.85**	**1,157.28**
	Accumulated depreciation		1.02	48.98	50.00
	Additions during the year 2018-2019	-	0.51	24.27	24.78
	Deletions during the year 2018-2019	-	-	-	-
	Balance as at 31st March, 2019	**-**	**1.53**	**73.25**	**74.78**
	Additions during the year 2019-2020	-	0.52	23.79	24.31
	Deletions during the year 2019-2020	-	-	-	-
	Balance as at 31st March, 2020	**-**	**2.05**	**97.04**	**99.09**
	Net carrying amount				
	Balance as at 31st March, 2019	178.09	26.81	877.60	1,082.50
	Balance as at 31st March, 2020	**178.09**	**26.29**	**853.81**	**1,058.19**

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

10.2 Cost of freehold land includes Rs.134.40 lakhs as at 31st March 2020 (Previous year: Rs. 134.40 lakhs) which is in the name of the 'Chairman and managing director' of the Company.

10.3 For details of assets given as security, refer note 26.1.

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

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

Particulars	31st March 2020	31st March 2019
Rental income derived from investment property (Refer note 10.6)	47.15	40.24
Direct operating expenses (including repairs and maintenance) generating rental income	18.56	18.39
Direct operating expenses (including repairs and maintenance) that did not generate rental income	2.96	4.72
Profit from leasing of investment properties before depreciation	**25.63**	**17.13**
Less: Depreciation expenses	24.31	24.79
Profit / (Loss) from leasing of investment properties after depreciation	**1.32**	**(7.66)**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

10.6 Leasing arrangement

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

10.7 Fair value

Particulars	As at 31st March 2020	As at 31st March 2019
Fair value of investment properties	1,415.07	1,415.07

10.8 The Company's investment properties consist of land situated at Nagpur, Kottayam (Kerala), Baddi (Himachal Pradesh) and office building in Mumbai. The best evidence of fair value is current prices in an active market for similar properties. Company has considered ready reckoner rates as the main input for valuation of these investment properties. All resulting fair value estimates for investment properties are included in Level 2.

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Investments in joint ventures (Accounted as per equity method, refer note 2.1 (b))	As at 31st March 2020	As at 31st March 2019
Investments in Joint Venture	-	-
Ilex Developers and Resorts Limited 2,66,500 equity shares (Previous year: 2,66,500) of Rs. 10 each	451.48	422.55
(Less): Impairment in value of investment (Refer note 11.1)	(313.87)	-
Add / (Less): Share in profit /(loss) after tax	(29.10)	28.93
Total	**108.51**	**451.48**
Aggregate value of unquoted investment	422.38	451.48
Aggregate amount of impairment in value of investments	313.87	-

11.1 The Holding company has made a strategic and long-term investment of Rs. 533.00 lakhs (As at 31st March 2019: Rs.533.00 lakhs) in the shares of Ilex Developers & Resorts Limited (Ilex) a 32.92% joint venture (JV) in earlier years. In accordance with Ind AS 36 – Impairment of assets, the management of the joint venture company has reviewed the recoverable value in respect of net block of property, plant & equipment as on 31st March 2020. Based on such assessment, management of holding company also has carried out assessment of recoverable value of the investment in JV in the consolidated financial statements. Based on such assessment, provision for impairment loss against investment amounting to Rs. 313.87 lakhs, representing 32.92% share has been recognized during the year ended 31st March 2020.

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Investments	As at 31st March 2020	As at 31st March 2019
(a) Investment measured at Fair Value Through Profit or Loss		
Investment in equity instruments	-	-
Quoted		
Royal Orchid Hotels Limited 50 equity shares (Previous year 50) of Rs 10 each	0.02	0.06
Unquoted		
The Satara Sahakari Bank Limited 10,010 equity shares (Previous year 10,010) of Rs. 50 each	15.30	10.96
Total FVTPL investments	**15.32**	**11.02**
Total	**15.32**	**11.02**
Aggregate cost of quoted investments	0.03	0.03
Aggregate amount of unquoted investments	15.30	10.96
Market value of quoted investments	0.02	0.06
Aggregate amount of impairment in value of investments	-	-

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

13	**Loans - Non current** (Unsecured, considered good unless otherwise stated)	**As at 31st March 2020**	**As at 31st March 2019**
	Security deposits		
	- Related party (Refer note 13.1 and 47)	1,818.01	1,722.55
	- Others	187.49	186.67
		2,005.50	1,909.22
	Inter corporate deposit (considered doubtful)	200.00	200.00
	Less: Impairment of advance given	200.00	200.00
		-	-
	Margin money in fixed deposit with banks with maturity more than 12 months (Refer note 13.2)	17.78	51.19
	Total	**2,023.28**	**1,960.41**

13.1 Holding Company has given interest free security deposit having carrying value of Rs. 8,000.00 lakhs as at 31st March 2020 (Previous year: Rs. 8,000.00 lakhs) for hotel property taken by the holding company to an entity in which some of the directors of the holding company are director and member.

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

13A	**Other financial assets - non current**	**As at 31st March 2020**	**As at 31st March 2019**
	Margin money in fixed deposits with banks (maturity more than 12 months) (Refer note 13A.1 below)	9.86	6.25
	Total	**9.86**	**6.25**

13 A.1 Fixed deposit is given as margin money for guarantee given by bank to government and other authorities on behalf of the group.

14	**Income tax assets (net)**	**As at 31st March 2020**	**As at 31st March 2019**
	Income tax (net)	991.37	1,451.73
	Total	**991.37**	**1,451.73**

15	**Other non current assets** (Unsecured, considered good unless otherwise stated)	**As at 31st March 2020**	**As at 31st March 2019**
	Capital advances	198.24	210.30
	Less: Impairment of advance given	188.65	188.65
		9.59	21.65
	Others advances (Refer note 15.1)	488.62	488.62
	Less: Impairment of advance given	488.62	488.62
		-	-
	Deferred advance rentals	3,650.47	3,813.36
	Prepaid expenses	7.76	8.71
	Total	**3,667.82**	**3,843.72**

15.1 In terms of the Memorandum of Understanding with a Public Trust owning a plot of land in Mumbai, the holding company had paid Rs. 488.62 lakhs as security deposit and incurred expenditure of Rs. 207.93 lakhs for a proposed hospitality project on the said land in earlier years. The owner did not fulfil his obligation to complete the infrastructure for the aforesaid project despite follow up by the holding company. In view of inordinate delay in the projects, the expenditure incurred on the said incomplete project has been written off and a provision has been made in the earlier years for the deposit paid to the said party. Holding company has initiated legal proceedings against the party and other party has also made counter claim for compensation and interest thereon. The matter is pending to be resolved. Adjustments, if any, to the expenditure written off and provision made as above, will be made on disposal / conclusion of the above matter in the year in which matter is settled.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

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Inventories (At lower of cost or net realisable value)	**As at 31st March 2020**	**As at 31st March 2019**
Food and beverages	179.64	173.40
Stores and operating supplies	134.53	162.96
Total	**314.17**	**336.36**

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Investments - current	**As at 31st March 2020**	**As at 31st March 2019**
Investment measured at Amortised Cost		
Unquoted		
50,000 (Previous year: 50,000) units of SBI PSU FUND - of Rs. 10 each	3.81	5.25
Total	**3.81**	**5.25**
Aggregate cost of unquoted investments	5.00	5.00
Net asset value unquoted investments	3.81	5.25
Aggregate amount of impairment in value of investments	-	-

18

Trade receivable (Unsecured considered good, unless otherwise stated)	**As at 31st March 2020**	**As at 31st March 2019**
-Considered good	1,006.52	1,263.75
-Considered doubtful	1,437.61	1,512.72
Sub-total	**2,444.13**	**2,776.47**
Less: Allowance for expected credit loss*	1,437.61	1,512.72
Total	**1,006.52**	**1,263.75**

* The group recognizes loss allowances using the expected credit loss (ECL) model based on 'simplified approach'. Considering same there are trade receivable having significant credit risk [Also refer note 3.18.1 and 60(a)(ii)]

18.1 Trade receivable includes receivable from related parties as given below. This included amount of Rs. 10.68 lakhs (Previous year: Rs. 12.10 lakhs); from an entity in which director of the group is also director.

Particulars	**As at 31st March 2020**	**As at 31st March 2019**
From related parties (Refer note 47.3)		
Ilex Developers & Resorts Limited	8.63	9.72
Treeo Resorts Private Limited	2.05	2.38
Total	**10.68**	**12.10**

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Cash and cash equivalent	**As at 31st March 2020**	**As at 31st March 2019**
Balances with bank		
- In current accounts	158.76	308.72
- Cheques in hand	300.00	460.00
- Cash in hand	30.43	31.60
Bank balances other than cash and cash equivalent:	489.19	800.32
- Fixed deposit (less than 12 months maturity)	1,046.00	-
Total	**1,535.19**	**800.32**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

20	Other bank balance	As at 31st March 2020	As at 31st March 2019
	Margin money in fixed deposits with banks (Maturity period less than 12 months)(Refer note 20.1)	94.26	123.51
	Balance in Bank - Escrow Account (Refer note 20.2)	14.70	28.05
	Total	**108.96**	**151.56**

20.1 Fixed deposit is given as margin money to the banks for guarantee's given by banks to government and other authorities on behalf of the group.

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

21	**Loans - current** (Unsecured considered good, unless otherwise stated)	As at 31st March 2020	As at 31st March 2019
	Security deposit	13.30	13.80
	Loans and advances to subsidiaries	0.09	-
	Loans and advances to employees and others	0.22	-
	Total	**13.61**	**13.80**

22	**Other current financial assets** (Unsecured, considered good unless otherwise stated)	As at 31st March 2020	As at 31st March 2019
	Interest on bank deposits	30.90	16.82
	Insurance claim receivable	40.00	-
	Total	**70.90**	**16.82**

22A	Income tax assets (net)	As at 31st March 2020	As at 31st March 2019
	Income tax (net)	316.64	-
	Total	**316.64**	**-**

23	**Other current assets** (Unsecured, considered good unless otherwise stated)	As at 31st March 2020	As at 31st March 2019
	Advances to vendors	178.35	113.16
	Balances with Government authorities (Refer note 23.2)	251.71	230.25
	Less: Provision for custom duty receivable (Refer note 23.1)	(45.00)	-
		206.71	230.25
	Prepaid expenses	184.87	257.51
	Total	**569.93**	**600.92**

23.1 Balance with authorities includes Rs. 45.00 lakhs (Previous year: Rs.45.00 lakhs) related to subsidiary company (Orchid Hotels Pune Private Limited), being bank guarantee invoked by Commissioner of Customs in the previous year in relation to non-fulfilment of export obligations. The subsidiary company had submitted all the documents related to fulfilment of export obligations to the custom authorities and order for cancellation of 'Bond and Bank Guarantee' was issued by the Commissioner of Customs except for Rs. 2.00 lakhs. Subsidiary company has filed application for refund with the of Commissioner of Customs, refund is awaited.Considering uncertainty of collection, the Company has fully provided for custom duty receivable.

23.2 Balance of authorities includes input tax credit (ITC) of Rs. 76.53 lakhs (Previous year: Rs.69.93 lakhs) of Goods and service tax (GST) taken by subsidiary company (Orchid Hotels Pune Private Limited) and Rs. 9.80 lakhs (Previous year: Nil) taken by Holding Company based on legal interpretation.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

24	Share capital	As at 31st March 2020	As at 31st March 2019
	Authorised capital		
	3,42,50,000 (Previous year: 3,42,50,000) Equity Shares of Rs. 10 each.	3,425.00	3,425.00
	Total	**3,425.00**	**3,425.00**
	Issued, subscribed and paid-up		
	2,35,84,058 (Previous year: 2,35,84,058) Equity Shares of Rs. 10 each, fully paid up	2,358.41	2,358.41
	Add: 8,62,500 Forfeited equity shares (Previous year: 8,62,500) (amounts originally paid up).	58.85	58.85
	Total	**2,417.26**	**2,417.26**

24.1 Terms/ rights attached to equity shares :

The holding company has only one class of shares referred to as equity shares having a par value of Rs. 10. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the group, the holders of equity shares will be entitled to receive any of the remaining assets of the holding company, after distribution of all preferential amounts. However, there are no preferential amounts inter se equity shareholders. The distribution will be in proportion to the number of equity shares held by the shareholders (after due adjustment in case shares are not fully paid up).

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

Particulars	31st March 2020		31st March 2019	
	Number of Shares	Amount	Number of Shares	Amount
Number of shares at the beginning	2,35,84,058	2,358.41	2,35,84,058	2,358.41
Add: Shares issued during the year	-	-	-	-
Less: Buyback during the year	-	-	-	-
Number of shares at the year end	2,35,84,058	2,358.41	2,35,84,058	2,358.41

24.3 Details of shareholders holding more than 5 % shares

Particulars	As at 31st March 2020		As at 31st March 2019	
	Number of Shares	% held	Number of Shares	% held
Kamat Holdings Private Limited *	15,00,000	6.36	15,00,000	6.36
Plaza Hotels Private Limited	35,35,545	14.99	35,35,545	14.99
Indira Investments Private Limited *	15,63,794	6.63	15,63,794	6.63
Dr. Vithal V. Kamat	32,54,990	13.80	32,54,990	13.80
Vishal Amusements Limited	18,88,526	8.01	258,897	1.10

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

25	Other equity	As at 31st March 2020	As at 31st March 2019
	Capital reserve (Refer Note 25.1)		
	As per last Balance sheet	13.87	13.87
	Capital redemption reserve (Refer Note 25.2)		
	As per last Balance sheet	266.50	266.50
	Securities premium (Refer Note 25.3)		
	As per last Balance sheet	14,986.74	14,986.74
	Amalgmation reserve (Refer note 25.4)		
	As per last Balance sheet	280.06	280.06
	Surplus/ (deficit) in the Statement of Profit and loss		
	As per last balance sheet	(32,777.31)	(34,465.88)
	Add: Profit/(loss) for the year	2,477.48	1,688.56
	Closing balance	(30,299.83)	(32,777.31)
	Other comprehensive income		
	As per last balance sheet	28.99	26.02
	Add: Other comprehensive income / (loss) for the year	7.32	2.97
	Closing balance	**36.31**	**28.99**
	Total	**(14,716.35)**	**(17,201.15)**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

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

25.2 Capital redemption reserve is credited by amount set aside for redemption of preference shares .

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

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

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Borrowings	**As at 31st March 2020**	**As at 31st March 2019**
Non-current borrowings		
Secured		
Term loans (Refer note 26.1(a))		
- From banks (Refer note 26.1(a), 26.1(b), 26.1(d), 26.1(e) and 26.5)	1,784.28	1,770.64
- From others (Refer note 26.1(a), 26.1(b) and 26.5)	42,467.36	46,684.94
Unsecured		
- Term loans from others (Refer note 26.1(c))	-	100.00
- Inter-corporate loan (Refer note 26.2)	2,199.84	2,677.15
	46,451.48	51,232.73
Less: Current maturities of long term loans	23,305.18	23,457.18
Less: Interest accrued and due (Refer note 34)	2,511.67	1,747.04
Less: Interest accrued but not due (Refer note 34)	11.93	11.93
Total	**20,622.70**	**26,016.58**

26.1 Details of security provided and terms of repayment

(a) Term loan from banks and others [loans assigned by banks to ARC's on settlement] aggregating to Rs. 22,092.22 lakhs (Previous year: Rs. 25,799.87 lakhs) are secured by (i) First ranking pari-passu charge on lands at “The Orchid” at Vile Parle (East) (owned by Plaza Hotels Private Limited) together with hotel buildings and all appurtenances thereon; (ii) First / second ranking pari-passu mortgage on company's immovable property being Hotel “VITS” at Andheri (East); (iii) First/ second charge by way of hypothecation of movable fixed assets and current assets of the Company; (iv) Credit card receivables on pari-passu basis; (v) Equitable mortgage of hotel property at Lotus Goa [exclusive to one lender]; (vi) Pledge of equity shares of the Company held by promoters and promoter companies, pledge of certain equity shares of Orchid Hotels Pune Private Limited (subsidiary) and Plaza Hotels Private Limited (related party) and entire equity shares of Kamats Restaurants (India) Private Limited, Fort Jadhavgadh Hotels Private Limited, Mahodadhi Palace Private Limited and ILEX Developers and Resorts Limited, Kamat Holiday Resorts (Silvassa) Limited; and (vii) Corporate guarantee of subsidiaries, joint venture entity and Plaza Hotels Private Limited and personal guarantee of Dr. Vithal V.Kamat and Mr. Vikram V.Kamat.

Term loan from others (loans assigned by banks to ARC) aggregating to Rs.17,415.31 lakhs (Previous year: Rs.17,415.31 lakhs) is secured by (i) first charge on all movable and immovable fixed assets of OHPPL both present and future; (ii) exclusive charge by way of hypothecation of the stocks, current assets including book debts, bills receivable both present and future; (iii) pledge of 30% equity of OHPPL held by the group; (iv) guaranteed by corporate guarantee of the holding company and Kamats Development Private Limited (a company in which the director of the group is a director); and (v) personal guarantee of Dr.Vithal V.Kamat and Mr.Vikram V.Kamat.

(b) Term loans from banks and others [loans assigned by Bank to ARC's and NBFC on settlement] aggregating to Rs. 1,452.90 lakhs (Previous year: Rs. 1,971.29 lakhs) is secured by (i) First ranking pari-passu charge on lands at “The Orchid” at Vile Parle (East) (owned by Plaza Hotels Private Limited) together with hotel buildings (245 rooms) and all appurtenances thereon; (ii) Credit card receivables of Orchid (245 rooms) and VITS, Mumbai; (iii) Personal guarantees of Dr. Vithal V.Kamat and Mr. Vikram V.Kamat; and (iv) Post dates cheques and undertaking to pay 50% of sale proceeds of certain assets in case of sale of those assets.

(c) Term loan from others is secured by pledge of equity shares of the Holding Company held by the promoter and promoter companies. This loan has been fully repaid during the current year.

(d) Term loan from bank includes Vehicle loan taken by the Company has been repaid during the previous year aggregating to Rs. 3.47 lakhs. This loan was secured by hypothecation of the vehicle for which loan was taken.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

(e) Term loans from bank having carrying value of Rs.1,772.34 lakhs (Previous year: Rs. 1,772.34 lakhs) is secured by way of (i) Exclusive charge on all present and future current assests including receivables of four hotel properties and subservient charge on all fixed assets of the Company; (ii) Equitable mortgage over the land situated at Nagpur, owned by the Company and directors/ relative of directors; (iii) Pledge of 34 lakh shares held by Vishal Amusement Limited and Dr. Vithal V. Kamat; (iv) Personal guarantees of Dr. Vithal V. Kamat, and Mr. Vishal V. Kamat; and (v) Post dates cheques.

26.2 Above intercorporate loan is repayable by 31st March, 2024 [as extended] or earlier on availability of funds with the Holding Company. As per the terms of the agreement it is not payable in next 12 months as at balance sheet date, hence same is classified under long term borrowing.

26.3 Based on repayment schedules for borrowings [including as per settlement agreement or One Time Settlement sanctioned by various lenders as referred in note 26.4 below], following is maturity profile of term loans from banks and others [assigned loans].

Particulars	**Maturity Profile**			
	As at 31st March 2020		**As at 31st March 2019**	
	Next 1 year	**2-5 years**	**Next 1 year**	**2-5 years**
From banks	437.98	1,334.37	13.64	1,758.71
From others	23,684.53	17,275.89	23,443.54	24,257.87
Total	**23,305.18**	**20,622.70**	**23,457.18**	**26,016.58**

26.4 Settlement of outstanding loan with ARC's and one time settlement with banks

(a) The holding company had borrowed funds in earlier years from banks, financial institutions and NBFCs. Due to financial crisis faced by economic slowdown and other factors, a Corporate Debt Restructuring (CDR) Scheme was sanctioned by the Corporate Debt Restructuring Empowered Group vide sanction letter dated 12th March, 2013. In respect of some of the restructured debts from some of the lenders, despite best efforts taken by the holding company, the stipulated assets of the holding company could not be sold and consequently the debts agreed to be repaid out of the above debts could not be repaid by 31st March, 2014 and hence CDR scheme failed and group exited from the CDR scheme. Subsequently, most of the lenders have initiated recovery proceeding including under SARFAESI Act and the Negotiable Instrument Act,1881. One of the lender also filed recovery proceedings with Hon'ble Bombay High Court in which another lender having rights on escrow of credit card receivable intervened and finally the case was disposed off by consent.

Subsequently, most of these loans were assigned by the lenders to the Asset Reconstruction Companies (ARC). Group has negotiated with the Banks and ARC's and restructured the above debts through settlement agreements or one time settlements (OTS) of outstanding dues in earlier years.

(b) With respect to above settled loans, holding company is discharging its obligations in terms of the settlement with the respective assignees. In the event of default of terms and conditions of the settlements, the holding company may be liable to pay additional and penal interest and charges which are estimated to be Rs. 27,399.38 lakhs (Previous year: Rs. 22,690.98 lakhs).

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

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

(b) In the Holding Company, during the current year, an ARC (to which two banks and one financial institution had assigned the secured debts) has modified terms and conditions of the debt by providing the allocation between principal and interest payable w.e.f 1st April 2019 vide their letter dated 29th January 2020. Further, the effective interest rate (EIR) has been recomputed based on the revised principal amount. The management is of the view that the de-recognition and consequent the write back of loan and re-computation of EIR has been done in accordance with the qualitative parameters permitted in Ind AS 109 – ‘Financial Instruments’ on the basis of opinion obtained from an expert and its ability to make prepayment of loan. Consequently, the Company has written back the principal amount of Rs. 2,369.28 lakhs outstanding as on 1st April 2019 and accounted for additional interest of Rs.1,052.67 lakhs pertaining to financial year 2019-20. Principal write back of Rs. 2,369.28 lakhs has been shown as "exceptional item". Also refer note 44.1.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

26.6 Loans guaranteed by directors of holding company

Particulars*	As at 31st March 2020	As at 31st March 2019
From banks	1,784.28	1,770.64
From others	42,467.36	46,684.94
Term loan from others	**44,251.64**	**48,455.58**

*Including interest outstanding.

26.7 (a) Continuing default in repayment of loan and interest at the year end is as given below:

Particulars	As at 31st March 2020		As at 31st March 2019	
	Amount	Period defaults	Amount	Period defaults
Principal	987.36	1 to 92 days	454.00	1 day
Interest	988.73	1 to 92 days	-	-
Total	**1,976.09**		**454.00**	

*Amount of Rs. Nil has been repaid subsequent to current financial year end but before approval of accounts (Previous year: Amount of Rs. 454.00 lakhs repaid subsequent to year before approval of accounts).

(b) In the Holding Company, during the current year, there are delays in repayment of principal, payment of interest and there are unpaid instalments amounting to Rs. 1,934.00 lakhs which were due/overdue as on 31st March 2020. The Company has requested all its lenders in the month of March 2020 for the extension of the dues considering the impact on account of COVID-19. Though, written confirmation from lenders are awaited, all lenders have agreed for the extension either verbally or has given in principle approval. In view of the above, in the opinion of the management, event of default is not triggered in any case and therefore, there is no other accounting implications and reclassification of non-current borrowings to current liabilities is not required as at 31st March 2020. Considering the above, in the opinion of the Holding Company's management, no intimation is required to be given to the stock exchange for unpaid loan instalments as at 31st March 2020 as required by SEBI circular dated 21st November 2019

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Lease liabilities - non-current	As at 31st March 2020	As at 31st March 2019
Lease Rent (Refer note 51)	1,666.52	-
Total	**1,666.52**	**-**

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Other financial liabilities - Non-current	As at 31st March 2020	As at 31st March 2019
Outstanding club membership deposit	30.87	30.70
Security deposits	65.82	59.10
Deposit from related party (refer note 28.1)	23.17	20.69
Total	**119.86**	**110.49**

28.1 Security deposit received having carrying value of Rs. 80.00 lakhs as at 31st March 2020 (Previous year: Rs. 80.00 lakhs) is interest free and is received against hotel property given by the holding company under operation and management agreement. This deposit is received from an entity in which group's director is director.

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Other non-current liabilities	As at 31st March 2020	As at 31st March 2019
Unamortized non-refundable membership deposit	453.32	527.79
Total	**453.32**	**527.79**

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Provisions - non-current	As at 31st March 2020	As at 31st March 2019
Provision for gratuity benefits (Refer note 50((ii)(a))(b))	258.03	21.24
Provision for leave benefits (Refer note 50((ii)(c))	247.84	301.18
Total	**505.87**	**322.42**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

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Deferred tax assets/ (liabilities)	**As at 31st March 2020**	**As at 31st March 2019**
Significant components of net deferred tax assets and liabilities		
Deferred tax assets		
Carried forward losses as per Income Tax Act, 1961	142.49	161.75
Expense allowed on payment basis as per Income tax act, 1961	451.74	590.05
Provision for doubtful debts and advances	360.46	432.38
MAT credit entitlement	52.59	50.17
Lease Expenses under IND AS 116	0.13	-
Fair value measurement of financial assets and liabilities (net)	466.67	631.46
Sub-total (A)	**1,474.08**	**1,865.81**
Deferred tax liabilities		
Difference in net carrying value of property, plant and equipment, intangible assets and investment properties as per income tax and books	3,879.96	4,517.98
Sales tax deposit paid under protest claimed as allowable expenses	2.52	2.91
Sub-total (B)	**3,882.48**	**4,520.89**
Deferred tax assets/(liability) (A-B)	**(2,408.40)**	**(2,655.08)**

31.1 Reconciliation of tax expenses and the accounting profit multiplied by applicable tax rate for 31st March 2020 and 31st March 2019:

Particulars	**As at 31st March 2020**	**As at 31st March 2019**
Profit before tax	2,427.43	2,765.27
Income tax liability/(asset) as per applicable tax rate	783.24	816.77
(i) Permanent tax difference due to		
- Effect of expenses that are not deductible in determining taxable profit	(682.34)	173.24
(ii) Effect of change in tax rate for deferred tax liability calculation (Refer note 31.1 (b) below)	(356.58)	(6.69)
(iii) Deferred tax asset not recognised (Refer note 31.1 (c) below)	(192.25)	62.75
(iv) Tax expenses of earlier years	13.39	30.64
Tax expense reported in the Statement of Profit and Loss	**(50.05)**	**1,076.71**

Particulars	**As at 31st March 2020**	**As at 31st March 2019**
Other comprehensive income	11.22	4.84
Income tax liability/(asset) as per applicable tax rate	3.90	1.65
Tax expense/(credit) reported in Other comprehensive income	**3.90**	**1.65**

Note:

(a) The Company offsets tax assets and liabilities in and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same authority.

(b) As per section 115BAA of the Income Tax Act, 1961, option is given for lower tax rate subject to certain conditions. The Holding Company has Minimum Alternate Tax (MAT) credit and as per the assessment it is expected that the utilising MAT credit is beneficial to the Company. In view of the above, the Company has decided to continue under the existing tax regime for computation of current tax and move to lower tax rate in subsequent years. For the purpose of deferred tax, lower tax rate has been considered, consequently, financial statements for the year ended 31st March, 2020 includes deferred tax credit of Rs. 349.94 lakhs. In respect of subsidiary company (MPPL), lower tax rate has been applied and deferred tax is recognised at lower tax rate. The resultant credit of Rs. 6.65 lakhs is included in the results for the year ended 31st March, 2020. As per Ind AS 12 - Income Taxes, deferred tax asset should be recognised on the carry forward unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. Considering same, with respect to subsidiary companies, deferred tax asset has not been recognized as in near future there is low probability that taxable profit will be available against which it can be utilised.

(c) Deferred tax assets amounting to Rs. 8,216.75 lakhs as at 31st March 2020 (Previous year: Rs. 8,743.21 lakhs) has not been recognised due to uncertainty in respect of future taxable Income against which such losses can be offset.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

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

Particulars	As at 31st March 2020	As at 31st March 2019
Current tax		
In respect of the current year	297.97	100.01
In respect of the earlier years	(99.87)	0.67
	198.10	**100.68**
Deferred tax		
MAT credit availed	-	(0.11)
In respect of the current year	(361.41)	946.17
In respect of the earlier years	113.26	29.97
	(248.15)	**976.03**
Total tax expense recognized in current year	**(50.05)**	**1,076.71**

32 Trade payables	As at 31st March 2020	As at 31st March 2019
Outstanding dues of micro enterprises and small enterprises (Refer note 32.1).	267.19	216.79
Outstanding dues of creditors other than micro enterprises and small enterprises		
- Others	2,139.50	1,600.54
- Related parties (Refer note 47.3)	259.72	234.79
Total	**2,666.41**	**2,052.12**

32.1 The amount due to Micro, Small and Medium Enterprises as defined in the Micro, Small and Medium Enterprises Development Act (MSMED Act), 2006 has been determined to the extent such parties have been identified on the basis of information collected by the management. The disclosure relating to Micro, Small and Medium Enterprises is as under:

Particulars	As at 31st March 2020	As at 31st March 2019
Dues remaining unpaid at the year end:		
(a) The principle amount remaining unpaid to supplier as at the end of the accounting year	267.19	216.79
(b) The interest thereon remaining unpaid to supplier as at the end of the accounting year	25.83	17.27
(c) The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
(d) Amount of interest due and payable for the year	25.83	17.27
(e) Amount of interest accrued and remaining unpaid at the end of the accounting year	67.54	41.71
(f) The amount of further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid	16.70	6.50

33 Lease liabilities - current	As at 31st March 2020	As at 31st March 2019
Lease rent (Refer note 51)	223.22	-
Total	**223.22**	**-**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

34	Other financial liabilities - current	As at 31st March 2020	As at 31st March 2019
	Current maturities of long term borrowings	23,305.18	23,457.18
	Interest accrued but not due	11.93	11.93
	Interest accrued and due:		
	- To banks and others	2,511.67	1,747.04
	- On bond deposit	118.78	44.48
	Current maturity of outstanding membership deposit	1,199.17	1,245.11
	Interest payable to MSME creditors	67.54	41.71
	Creditors for capital expenditure	119.98	6.20
	Security deposit	62.01	61.86
	Book Overdraft	266.26	419.01
	Lease Premium payable (Refer note 34.2)	1,405.94	1,146.24
	Other payables *	869.36	915.05
	Total	**29,937.82**	**29,095.81**

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

34.1 In respect of loans taken by subsidiary

a) In respect of subsidiary company (OHPPL)'s outstanding loan (originally taken from ICICI Bank which subsequently was assigned to ARCIL), ARCIL rejected the subsidiary company's OTS proposal dated 10th November 2018 amounting to Rs. 13,425.00 lakhs with upfront payment of Rs. 200 lakhs vide letter dated 29th November 2018, on ground of "Proposal not acceptable in the present form as also it is not fully tied up in terms of funding and is without substantial upfront payment". A Petition was filed by ARCIL with National Company Law Tribunal ('NCLT') for dues amounting to Rs. 41,157.98 Lakhs on 6th December, 2018. The subsidiary company submitted its fresh binding OTS proposal enhancing its offer further to an amount of Rs. 14,500.00 lakhs with the plan of payment. While subsidiary company's offer was pending with ARCIL, ARCIL re-assigned the loan to I-ARC for an aggregate amount of Rs. 13,500.00 lakhs. As per the assignment agreement, total amount due from the subsidiary company upto 24th December 2018 was Rs. 42,110.91 lakhs. This assignment by ARCIL to I-ARC was challenged by the subsidiary company before Hon'ble Bombay High Court and thereafter was withdrawn considering verbal & written (mail dated 27th December, 2018) assurances by I-ARC for amicable resolution with the subsidiary company. On 28th December 2018, ARCIL informed the subsidiary company about re-assignment of loan to I-ARC. On 12th January 2019, ARCIL withdrew its petition from NCLT claiming amount of Rs. 41,157.98 lakhs. There is no further development in the aforesaid matter during the current year.

The subsidiary company has accounted interest on loan only up to 30th September 2013. Principal amount including unpaid interest upto 30th September, 2013 aggregating to Rs. 18,833.99 lakhs is appearing in the books, while the opinion of the management, no further liability is required to be accounted based on their discussions and agreements for amicable resolution of the settlement of loan would not be higher than the amounts already recorded in the books it is subject to execution of agreement with the lenders.

b) Term loan taken from a bank in earlier years became non-performing asset (NPA) in the year 2013. These loans were assigned by the Bank to Asset Reconstruction Company India Limited (ARCIL) vide assignment agreement dated 27th September 2013. ARCIL (jointly with ICICI Bank had filed a suit before Debt Recovery Tribunal (DRT) for recovery of their dues and seeking some reliefs, which is pending. (Refer note 45.3).

c) **Details of security provided**

This loan is secured by (i) first charge on all movable and immovable fixed assets of the Company both present and future; (ii) exclusive charge by way of hypothecation of the stocks, current assets including book debts, bills receivables both present and future; (iii) pledge of 30% equity of the Company held by the holding company; (iv) guaranteed by corporate guarantee of Kamat Hotels (India) Ltd (Holding Co.), Kamats Development Private Limited (a Group in which the director of the Company is a director); and (v) personal guarantees of Director and Ex-Director.

d) In respect of borrowing from IARC [assigned by ARCIL], outstanding balance as on 31st March 2020 (including interest liability accounted upto 30th September 2013) is subject to confirmation. No balance confirmation was available in previous year also.

34.2 In respect of dispute over lease rent levied by Director of Sports, the Company has accounted for the liability amounting to Rs. 1,405.94 lakhs as at 31st March 2020 (Previous year: Rs. 1,146.24 lakhs) for the period from 1st November 2014 to 31st March 2020; however, the same has not been paid. Further, in the current year, the Hon'ble Bombay High Court has appointed sole arbitrator to resolve the disputes in the arbitration proceedings. As per the management, interest / penalty, if any, will be accounted in the year in which dispute will be resolved. Since full provision has been made, same is not disclosed as contingent liability (Also refer note 45.3).

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

35	Other current liabilities	As at 31st March 2020	As at 31st March 2019
	Advance from customers	337.01	375.70
	Income received in advance (membership fees)	74.47	74.47
	Income received in advance (others)	6.99	9.13
	Deferred income on club deposits	4.43	17.43
	Deferred advance rentals on security deposits	36.92	39.67
	Statutory dues	1,661.11	1,557.91
	Total	**2,120.93**	**2,074.31**

36	Provision - current	As at 31st March 2020	As at 31st March 2019
	Provision for gratuity (Refer note 50((ii)(a))(b))	56.82	233.16
	Provision for leave benefit (Refer note 50((ii)(c))	86.54	92.99
	Total	**143.36**	**326.15**

37	Current tax liabilities (net)	As at 31st March 2020	As at 31st March 2019
	Provision for income tax (net)	0.06	-
	Total	**0.06**	**-**

38	Revenue from operations	Year ended 31st March 2020	Year ended 31st March 2019
	Sale of services		
	Room income	12,324.64	13,440.36
	Food and banquet income	8,007.40	8,449.46
	Sub-total	**20,332.04**	**21,889.82**
	Other operating revenue		
	Income from time share business	197.54	216.19
	Management and consultancy fees	16.50	12.55
	Swimming and health club	77.64	95.78
	Conference and banqueting services	687.70	614.67
	Internet and telephone	11.08	13.92
	Laundry services	52.59	63.86
	Car rental and transportation	151.66	172.54
	Membership fees	76.10	70.71
	Miscellaneous services	86.10	101.31
	License fees - Shops and offices	172.29	145.51
	Income from export incentive	91.31	83.24
	Provisions for expected credit loss written back	61.40	-
	Liabilities and provisions written back	184.12	128.90
	Sub-total	**1,866.03**	**1,719.18**
	Total	**22,198.07**	**23,609.00**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

39	**Other income**	**Year ended 31st March 2020**	**Year ended 31st March 2019**
	Interest income on financial assets at amortised cost		
	- on fixed deposit with bank	29.75	10.79
	- on income tax refund	11.89	75.64
	- on others	16.93	28.38
	Dividend income on investment in mutual fund - current investment	0.43	0.43
	Exchange gain (net)	4.91	6.95
	Net gain on fair value changes of financial assets measured at amortised cost	3.98	1.62
	License fees - other properties	56.28	49.20
	Miscellaneous income	17.26	38.34
	Total	**141.43**	**211.35**

40	**Cost of food and beverage consumed**	**Year ended 31st March 2020**	**Year ended 31st March 2019**
	Opening stock	173.40	225.76
	Add: Purchases	2,043.73	2,208.44
		2,217.13	2,434.20
	Less: Closing stock	179.64	173.40
	Total	**2,037.49**	**2,260.80**

41	**Employee benefit expenses**	**Year ended 31st March 2020**	**Year ended 31st March 2019**
	Salaries, wages and bonus	4,887.40	4,785.05
	- Contribution to provident and other funds	273.21	282.90
	- Provision for gratuity (Refer note 50((ii)(a))(b))	80.99	66.73
	- Provision for leave benefit (Refer note 50((ii)(c))	1.95	87.65
	Staff welfare expenses	450.92	316.73
	Total	**5,694.47**	**5,539.06**

42	**Finance costs**	**Year ended 31st March 2020**	**Year ended 31st March 2019**
	Interest expense at effective interest rate on borrowings which are measured at amortized cost (Refer note 26.5 (b))	3,102.82	1,937.39
	Other borrowing costs	236.36	266.64
	Fair value of changes in financial liabilities (measured at amortized cost)	85.85	1.04
	Interest expense on lease liabilities (Refer note 51)	305.60	-
	Total	**3,730.63**	**2,205.07**

43	**Other expenses**	**Year ended 31st March 2020**	**Year ended 31st March 2019**
	Operating expenses		
	Heat, light and power	1,604.27	1,619.79
	Rent (Refer note 51)	128.77	431.22
	Licenses, rates and taxes (Refer note 43.1 & 43.2)	626.32	595.43
	Repairs expenses for		
	- Buildings	489.81	309.94
	- Plant and Machinery	424.78	447.90
	- Others	206.78	250.12
	Expenses on apartments and boards	978.81	967.63
	Replacements of crockery, cutlery, linen, etc.	134.48	165.75
	Washing and laundry expenses	235.71	260.60

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

43	Other expenses		Year ended 31st March 2020	Year ended 31st March 2019
	Water charges		165.04	178.00
	Band and music expenses		183.83	182.35
	Management license fees and royalty		295.22	305.36
	Sub total(A)		**5,473.82**	**5,714.09**
	Sales and marketing expenses			
	Advertisement, publicity and sales promotion		350.68	318.27
	Travel agents' commission		275.24	703.46
	Other commission and charges		697.07	264.73
	Sub total(B)		**1,322.99**	**1,286.46**
	Administrative and general expenses			
	Communication expenses		160.71	164.99
	Printing and stationery		72.81	83.27
	Legal, professional and consultancy charges		351.01	612.43
	Directors' sitting fees		8.20	9.90
	Travelling and conveyance		295.55	289.27
	Insurance		81.54	68.11
	Bad debts written off	13.71	-	243.57
	Less: Provision for expected credit loss	(13.71)	-	(170.78)
			-	72.79
	Provision for expected credit loss		-	63.57
	Advances written off		-	3.68
	Auditors' remuneration (Refer Note 43.3)		24.60	19.68
	Sales Tax/Vat /Luxury Tax etc. including assessment dues		6.07	3.49
	Loss on sale / discard of property, plant and equipment (Net)		64.37	23.63
	Miscellaneous expenses		266.51	195.17
	Sub total (C)		**1,331.37**	**1,609.98**
	Total (A+B+C)		**8,128.18**	**8,610.53**

43.1 In earlier years, the subsidiary company (Orchid Hotels Pune Private Limited) had filed a suit in Pune Court requiring reduction in annual lease premium payable to Director of Sports and granting of payment of the said premium in monthly installments instead of advance payment. The subsidiary company had also requested for relief from furnishing additional bank guarantee (BG) and restraining the authorities from invoking the existing BGs. Further, it had filed a case in the Hon'ble Bombay High Court invoking section 11 of Arbitration and Conciliation Act, 1996 for the dispute on lease premium, bank guarantee, property tax and other matters. As per the order of the court, the Arbitration proceedings has commenced during the year. Adjustment, if any in the books will be made on disposal of the cases.

43.2 "The Pune Municipal Corporation (PMC) has been raising demand for property tax since 2007 in respect of the subsidiary company's (Orchid Hotels Pune Private Limited) property at Balewadi, Pune and it has paid said taxes. PMC had also revised the Annual Ratable Value (ARV) retrospectively from 1st October, 2008 and assessed the subsidiary company's Hotel building for property tax purposes. It has disputed the said action and demand by filing a Municipal Appeal in appropriate court, which is pending for hearing.

In the meantime, during the pendency of the matter, the subsidiary company had paid entire dues up to March 2017 under Amnesty Scheme. It has paid municipal taxes for the subsequent period upto 31st March, 2020. Any adjustments of payment already deposited will be made subject to disposal of the cases. "

43.3	Auditors' remuneration	Year ended 31st March 2020	Year ended 31st March 2019
	Statutory audit fees	21.70	16.73
	Tax audit fees	2.90	2.95
	Total	**24.60**	**19.68**

Note: Above fees are excluding of goods and service tax (GST) of Rs.4.43 lakhs (Previous year Rs. 3.49 lakhs).

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

44	Exceptional items - Income/(expense)	Year ended 31st March 2020	Year ended 31st March 2019
	Income:		
	Reduction in liability towards long term borrowings (Refer note 44.1)	2,369.28	
	Sub-total	**2,369.28**	**-**
	Expense:		
	Impairment in cost of fixed assets of subsidiary (OHPPL) (Refer note 44.2)	532.20	-
	Provision for impairment of investment in joint venture entity (Refer note 11.1)	313.87	-
	Provision for doubtful advance (Refer note 44.3)	-	634.44
	Sub-total	**846.07**	**634.44**
	Total income/(expense)	**1,523.21**	**(634.44)**

44.1 During the current year, Holding Company has written back principal amount of loan outstanding as on 1st April 2019 amounting to Rs. 2,369.28 lakhs based on the modification of terms and conditions of the debt by ARC (to which two banks and one financial institution had assigned secured debts) vide their letter dated 29th January 2020. Also refer note 26.5 (b).

44.2 In accordance with Ind AS 36 - "Impairment of Assets", management of one of the subsidiary company (Orchid Hotels Pune Private Limited) has reviewed the recoverable value in respect to net block of fixed assets as on 31st March 2020, provision for impairment loss amounting to Rs. 532.20 lakhs was recognised in the previous year. Total amount of impairment loss recognised till 31st March 2020 including earlier year is Rs. 21,932.29 lakhs.

44.3 The subsidiary company (Orchid Hotels Pune Private Limited) had paid capital advance in the year 2012-13 in relation to construction of Convention Centre at its hotel property in Pune. The said Convention Centre was partly constructed and demolished in view of objections by the municipal authorities. Considering this is old balance outstanding, period of limitation in refund claims, same has been written off during the previous year.

45 Capital Commitments, Other Commitments and Contingent Liabilities

45.1 Capital Commitments.

(a) Estimated amount of capital commitments to be executed on capital accounts and not provided for Rs. 33.51 lakhs as at 31st March 2020 (Previous year: Rs. 83.67 lakhs) (Net of advances).

45.2 Other significant commitments.

(a) The holding company had put up Sewage Treatment Plant ("STP") on an adjacent immovable property owned by Savarwadi Rubber Agro Private Limited in earlier years for its Orchid Hotel, Mumbai and continues to use the same. The holding company is obliged to compensate appropriately to the owner for such use of the property. The modalities of the same is being worked out.

(b) Undertaking given by the group in favour of a lender to repay the loan to the extent of 50% of sale proceeds from certain specified assets (in case sold) - Expected obligation of Rs. 1,236.82 lakhs (Previous year: Rs. 1,236.82 lakhs) as per management estimate.

45.3 Contingent liability (to the extent not provided for)

Particulars		As at 31st March 2020	As at 31st March 2019
(i)	**Claims against the Company/ disputed liabilities not acknowledged as debts**		
	Disputed direct tax demand	5,453.27	-
	Disputed indirect tax demands	572.83	572.83
	Open import licenses	51.63	49.60
	Claims against the Company not acknowledged as debts (including employee claims)	108.46	107.33
	Disputed claim of additional premium by the director of sports government of maharashtra	225.00	225.00
	Cases filed by certain lenders under the Negotiable Instrument Act, 1881 (Refer note 26.4 (c))	-	1,000.00
	ARCIL and ICICI Bank have jointly filed an application before DRT during the earlier year claiming recovery plus further interest which has not been accepted by the subsidiary company and the matter is pending before Debt Recovery Tribunal.	25,237.89	25,237.89

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

	Particulars	As at 31st March 2020	As at 31st March 2019
(ii)	**Other money for which the Group is contingently liable**		
	Contingencies in respect of assigned loan (Also refer note 26.4(b))	27,399.38	22,690.98

In respect of above, future cash outflows (including interest/ penalty, if any) are determinable on receipt of judgement from tax authorities / labour court/ settlement of claims or non-fulfilment of contractual obligations. Further, the Group does not expect any reimbursement in respect of above.

45.4 Other litigations

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

46 Summarised financial information for joint ventures entity (Ilex Developers and Resorts Limited):

The Group has a 32.92% interest in Ilex Developers and Resorts Limited ('Ilex'), which is in the business of hospitality services. Ilex is private entity not listed on any stock exchange. The Group's interest in Ilex is accounted as per equity method in the consolidated financial statement. The following table illustrates the summarised financial information of the Group's investment in Ilex.

46.1 Summarised Balance Sheet

Particulars	As at 31st March 2020	As at 31st March 2019
Current assets	265.40	202.01
Non-current assets	3,009.17	3,164.48
Current liabilities	1,419.57	862.47
Non-current liabilities	885.64	1,451.99
Equity	**969.36**	**1,052.03**
Proportion of Group's ownership interest	32.92%	32.92%
Carrying amount of the Group's interest	108.51	451.48

46.2 Summarised Statement of Profit and Loss

Particulars	As at 31st March 2020	As at 31st March 2019
Revenue	**941.42**	**913.39**
Cost of material	107.74	120.11
Employee benefit expense	278.49	241.32
Finance cost	44.85	9.01
Depreciation and amortization	187.01	165.69
Other expenses	377.85	245.61
Total expenses	**995.94**	**781.74**
Profit before tax	**(54.52)**	**131.65**
Less: Income tax expenses	27.41	38.94
Profit after tax	**(81.93)**	**92.71**
Add: Other comprehensive income	(0.74)	0.86
Total comprehensive income for the year	**(82.67)**	**93.57**
Group's share of total comprehensive income for the year (after intercompany profit elimination)	**(29.10)**	**28.93**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

46.3 Summarised Statement of Cash Flow

Particulars	As at 31st March 2020	As at 31st March 2019
Cash flows from operating activities	165.25	236.36
Cash flows from investing activities	(143.03)	(55.95)
Cash flows from financing activities	2.22	(232.32)
Net increase / (decrease) in cash and cash equivalent	**24.44**	**(51.91)**

46.4 The joint venture entity has following contingent liability and capital commitments:

Particulars	As at 31st March 2020	As at 31st March 2019
Contingent liabilities:		
Corporate guarantee (jointly with related parties) on behalf of Kamat Hotels (India) Limited. Share of Ilex in this corporate guarantee is not quantifiable.	38,583.00	38,583.00
Capital commitment :		
Estimated amount of contracts remaining to be executed on capital account (net of capital advance)	-	183.12

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

47.1 Name and relationships of related parties:

a) Joint Venture		Ilex Developers & Resorts Limited
b) Entities in which Director/ KMP and relatives have significant influence (Only where there are transactions)		Vithal V. Kamat (Huf), Kamat Holdings Private Limited, Indira Investments Private Limited^, Plaza Hotels Private Limited, Kamat Development Private Limited, Sangli Rubber Agro Private Limited, Kamats Club Private Limited^, Kamburger Foods Private Limited^, Kamats Super Snacks Private Limited^, Karaoke Amusements Private Limited^, Vishal Amusments Limited, Kamat Holiday Resorts (S) Limited, Kamat Eateries Private Limited^, Kamat Amusements Private Limited, Kamats Development Private Limited, Talent Hotels Private Limited, Treeo Resort Private Limited, Nagpur Ecohotel Private Limited^, VITS Hotels (Bhubaneshwar) Private Limited^.
c) Key Management Personnel [KMP & Director]:	Executive Chairman & Managing Director	Dr. Vithal V. Kamat
	Non Executive Director	Mr. Bipinchandra C. Kamdar
	Independent Director	Mr. S. S. Thakur (Upto 27th May 2019)
		Mr. Dinkar D. Jadhav
		Ms. Himali H. Mehta
	Chief financial officer	Mrs. Smita Nanda
	Company Secretary	Mr. Amit Vyas (Upto 13th May 2019)
		Mr. Shailesh Bhaskar (From 27th May 2019 to 10th June 2020)
		Mrs. Shruti Shrivastava (W.e.f. 30th July 2020)
d) Relatives of KMP (Only where there are transactions)		Mrs. Vidya V. Kamat [Wife of KMP]
		Mr. Vikram V. Kamat [Son of KMP]
		Ms. Vidita V.Kamat [Daughter of KMP]
		Mr. Vishal V. Kamat - [Son of KMP and also Chief Executive Officer of Fort Jadhav Gadh, an unit of the Company]

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

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

47.2 Transactions with related parties

Nature of transaction	Name of the party	Year ended 31st March 2020	Year ended 31st March 2019
Royalty fees for leasehold land	Plaza Hotels Private Limited	209.46	228.08
Amount payable towards tax on Commission related Corporate Guarantee		2.27	2.23
Management fees - income	Ilex Developers & Resorts Limited	9.13	8.95
Transfer of materials		-	8.18
Laundry service expense		3.58	6.80
Taxes recovered on corporate guarantee commission		0.25	0.62
Amount payable towards tax on Commission related Corporate Guarantee		0.44	0.93
Reimbursement of expenses paid (Net)		4.38	15.05
Remuneration paid (Also refer note 47.5 & 48)	Dr.Vithal V.Kamat	106.45	105.66
Royalty expenses		5.52	5.18
Remuneration paid	Mr. Vishal V.Kamat	56.24	56.25
	Mrs. Smita Nanda	29.12	26.41
	Mr. Amit Vyas	6.32	18.36
	Mr.Shailesh Bhaskar	10.76	-
Consultancy fees	Ms. Vidita Kamat	5.40	5.40
Sitting fees paid	Mr. Bipinchandra C.Kamdar	1.90	2.15
	Mr. S.S.Thakur	0.60	2.05
	Mr. Dinkar D. Jadhav	1.90	2.65
	Mr. Ramnath Sarang	1.20	-
	Ms. Himali H. Mehta	1.40	2.05
Amount payable towards Tax on Commission related Corporate Guarantee	Vishal Amusements Limited	0.17	0.62
Reimbursement of expenses received (net)	Tree-O-Resorts Private Limited	0.17	-

47.3 Related party outstanding balances:

Nature of transaction	Name of the party	Year ended 31st March 2020	Year ended 31st March 2019
Corporate guarantee given by holding company on behalf of Jont Venture Company	Ilex Developers & Resorts Limited	1,000.00	1,000.00
Security given for loan taken by holding company (to the extent of outstanding loan)		799.68	799.68
Trade receivable (net)		8.21	9.72
Security deposits given (Gross carrying value)		80.00	80.00
Deposit given under business contract agreements	Plaza Hotels Private Limited	8,000.00	8,000.00
Trade payable		258.73	230.75
Undertaking given towards repayment of loan taken by the company		1,837.92	1,837.92
Undertaking given towards repayment of loan taken by the company	Talent Hotels Private Limited	2,375.26	2,375.26
Amount receivable	Treeo Resort Private Limited	2.05	2.38
Amount payable	Vishal Amusements Pvt. Ltd.	0.17	0.62
Royalty payable	Dr.Vithal V. Kamat	4.87	3.41
Pledge of shares for term loan taken by the company	Nagpur Ecohotel Private Limited	100.00	100.00
Pledge of shares for term loan taken by the company	VITS Hotels (Bhubaneshwar) Private Limited	100.00	100.00

Notes:

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

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

(b) In addition to above transactions,

(i) Ilex Developers & Resorts Limited, Plaza Hotels Private Limited, Kamat Holiday Resorts (Silvassa) Limited, Dr. Vithal V. Kamat, Mr. Vikram V. Kamat have given joint corporate guarantee amounting to Rs. 38,583.00 lakhs (Previous year: Rs. 38,583.00 lakhs) to banks/ others for credit facilities availed by the Holding Company [Share of respective entities/ persons is not quantifiable].

(ii) Plaza Hotels Private Limited, Vishal Amusements Limited, Dr. Vithal V. Kamat, Mr. Vishal V. Kamat have given joint corporate / personal guarantee amounting to Rs. 1,800.00 lakhs (Previous year: Rs. 1,800.00 lakhs) to bank for credit facilities availed by the Holding Company [Share of respective entities/ persons is not quantifiable].

(iii) KMP, relatives of KMP and entities in which KMP has significant influence have pledged equity shares held by them in the Company and other investments to the lenders for borrowing of the Company.

47.4 Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. For the year ended 31st March 2020, the Group has not recorded any impairment of receivables relating to amounts owed by related parties.

47.5 The Holding Company has paid remuneration to its executive chairman and managing director for the financial year ended 31st March 2020 which is in excess of the limits prescribed under section 197 of the Companies Act, 2013 (read with Schedule V) by Rs. 41.94 lakhs; the said excess managerial remuneration is subject to approval of shareholders at the upcoming general meeting.

48 Breakup of compensation to key managerial personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

(a) Compensation to KMP [Executive Chairman and Managing Director] as specified in para 47.2 above

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Short term employee benefits	96.95	96.16
Post employment benefits*	9.50	9.50
Other long term benefits*	-	-
Total	**106.45**	**105.66**

(b) Compensation to KMP [Other than disclosed]

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Short term employee benefits	46.20	44.77
Post employment benefits	-	-
Other long term benefits*	-	-
Sitting fees	7.00	8.90
Total	**53.20**	**53.67**

*As the liabilities for defined benefit plans are provided on actuarial basis for the Group as a whole, the amounts pertaining to Key Management Personnel are not included.

49 Earnings per share

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Basic and diluted earning/ (loss) per share		
Profit attributable to the equity holders of the group	2,477.48	1,688.56
Weighted average number of equity shares	2,35,84,058	2,35,84,058
Face value per equity share (Rs.)	10	10
Basic and diluted earnings per share	10.50	7.16

50 Disclosure relating to employee benefits as per Ind AS 19 'Employee Benefits'

(i) Disclosures for defined contribution plan

The Group has certain defined contribution plans. The obligation of the group is limited to the amount contributed and it has no further contractual obligation. Following is the details regarding group's contributions made during the year:

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

Particulars	2019-2020	2018-2019
Provident fund	102.92	80.90
Pension fund	118.97	125.03
Employees' state insurance (ESIC)	50.67	76.37
Maharashtra labour welfare fund	0.65	0.59
Total	**273.21**	**282.90**

(ii) Disclosures for defined benefit plans

(a) Defined benefit obligations - Gratuity

The group has a defined benefit gratuity plan for its employees (in holding company & one subsidiary). The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, every employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the employee's length of service and salary at retirement age. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn) for each completed year of service as per the provisions of the Payment of Gratuity Act, 1972. The scheme is funded with insurance companies in the form of a qualifying insurance policy in respect on holding company. In respect four subsidiaries there are no employees and hence no provision for employee benefit is made.

Risks associated with plan provisions

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Group is exposed to various risks as follows:

Investment/ asset risk	All plan assets are maintained in a trust fund managed by a public sector insurer viz; LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The Group has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The Group has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured. Also interest rate and inflation risk are taken care of.
Interest rate risk	The defined benefit obligation is calculated using a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
Salary inflation risk	Higher than expected increases in salary will increase the defined benefit obligation.
Demographic risk	This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria.

For determination of the liability in respect of compensated gratuity, the group has used following actuarial assumptions:

Gratuity (Funded)- Holding Company

Particulars	2019 - 2020	2018 - 2019
Discount Rate (per annum)	6.45%	7.15%
Rate of Return on Plan Assets (per annum)	6.45%	7.30%
Salary Escalation (per annum)	6.50%	6.50%
Attrition Rate (per annum)	10.00%	10.00%
Mortality Rate	As per Indian Assured lives Mortality (2012-14)	As per Indian Assured lives Mortality (2006-08)

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

Changes in the present value of obligations	2019 - 2020	2018 - 2019
Liability at the beginning of the year	358.75	317.14
Interest cost	23.25	20.73
Current service cost	52.78	47.70
Benefits paid	(33.73)	(20.34)
Actuarial (gain)/loss on obligations	(13.77)	(6.48)
Liability at the end of the year	**387.28**	**358.75**

Changes in the fair value of plan assets	2019 - 2020	2018 - 2019
Opening fair value of plan assets	126.01	128.97
Expected return on plan assets	8.50	8.73
Employers contribution	9.03	8.70
Benefits paid	(33.73)	(20.34)
Actuarial gain/(loss) on plan assets	(0.37)	(0.05)
Closing fair value of plan assets	**109.44**	**126.01**

Table of recognition of actuarial gain / loss	2019 - 2020	2018 - 2019
Actuarial (gain)/ loss on obligation for the year	(13.77)	(6.48)
Actuarial (gain)/ loss on assets for the year	(0.37)	(0.05)
Actuarial (gain)/ loss recognised in Other Comprehensive Income	**(13.40)**	**(6.43)**

Breakup of actuarial (gain) /loss:	2019 - 2020	2018 - 2019
Actuarial loss/(gain) arising from change in demographic assumption	(0.03)	-
Actuarial loss arising from change in financial assumption	14.06	2.76
Actuarial loss/(gain) arising from experience	(27.80)	(9.24)
Actuarial gain/(loss) on plan assets	0.37	0.05
Total	**(13.40)**	**(6.43)**

Amount recognized in the Balance Sheet:	As at 31st March 2020	As at 31st March 2019
Liability at the end of the year	387.28	358.75
Fair value of plan assets at the end of the year	(109.44)	(126.01)
Amount Recognized in the Balance Sheet	**277.84**	**232.74**

Expenses recognized in the Income Statement:	2019 - 2020	2018 - 2019
Current service cost	52.78	47.70
Interest cost	23.25	20.73
Expected return on plan assets	(8.50)	(8.73)
Actuarial (Gain)/Loss	(13.40)	(6.43)
Expense / (income) recognized in		
- Statement of profit and loss	67.53	59.70
- Other comprehensive income	(13.40)	(6.43)

Balance sheet reconciliation	As at 31st March 2020	As at 31st March 2019
Opening net liability	232.74	188.18
Expense recognised in Statement of Profit and Loss & OCI	54.13	53.26
LIC contribution during the year	(9.03)	(8.70)
Amount Recognized in Balance Sheet	**277.84**	**232.74**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

Sensitivity analysis of benefit obligation (Gratuity)

Particulars		2019 - 2020	2018 - 2019
a)	**Impact of change in discount rate**		
	Present value of obligation at the end of the year		
	a) Impact due to increase of 0.5% - 1.00%	377.14	349.70
	b) Impact due to decrease of 0.5% -1.00%	397.98	368.27
b)	**Impact of change in salary growth**		
	Present value of obligation at the end of the year		
	a) Impact due to increase of 0.5% - 1.00%	397.83	367.75
	b) Impact due to decrease of 0.5% -1.00%	377.26	350.01
c)	**Impact of change in withdrawal rate**		
	Present value of obligation at the end of the year		
	a) withdrawal rate Increase	385.82	357.57
	b) withdrawal rate decrease	388.76	359.60
d)	**Impact of change in mortality rate**		
	Present value of obligation at the end of the year		
	a) Impact due to increase	387.33	358.81
	b) Impact due to decrease	387.25	358.69

Maturity profile of defined benefit obligation

Particulars	As at 31st March 2020	As at 31st March 2019
Weighted average duration of the defined benefit obligation years	5.51	5.47
Projected benefit obligation amount	387.29	358.75

Pay-out analysis

Particulars	As at 31st March 2020	As at 31st March 2019
1st year	72.03	67.07
2nd year	45.62	48.21
3rd year	44.26	42.92
4th year	41.02	39.83
5th year	37.29	36.09
Next 5 year pay-out (6-10 year)	171.06	160.41

(b) Defined benefit obligations - Gratuity (Non funded) (Subsidiary company)

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. As per the policy of the Group, obligations on account of payment of gratuity of an employee is settled only on termination / retirement of the employee. Gratuity is provided in the books on the basis of Actuarial Valuation. It is an unfunded plan in respect of subsidiary having employees.

Particulars	2019 - 2020	2018 - 2019
Discount Rate (per annum)	6.85%	7.75%
Salary Escalation (per annum)	8.00%	7.00%
Attrition Rate (per annum)	5.00%	5.00%
Mortality Rate	Indian Assured lives Mortality (2012-14)	Indian Assured lives Mortality (2006-08)

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

Changes in the present value of obligations	**2019 - 2020**	**2018 - 2019**
Liability at the beginning of the year	21.66	13.59
Interest cost	1.66	1.05
Current service cost	11.79	5.98
Benefits paid	(0.29)	(0.55)
Actuarial (gain)/loss on obligations	2.18	1.59
Liability at the end of the year	**37.00**	**21.66**

Table of recognition of actuarial gain / loss	**2019 - 2020**	**2018 - 2019**
Actuarial (gain)/ loss on obligation for the year	2.18	1.59
Actuarial (gain)/ loss on assets for the year	-	-
Actuarial (gain)/ loss recognised in Other Comprehensive Income	**2.18**	**1.59**

Breakup of actuarial (gain) /loss:	**2019 - 2020**	**2018 - 2019**
Actuarial loss/(gain) arising from change in demographic assumption	(0.01)	-
Actuarial loss arising from change in financial assumption	7.75	(0.05)
Actuarial loss/(gain) arising from experience	(5.56)	1.64
Total	**2.18**	**1.59**

Amount recognized in the Balance Sheet:	**As at 31st March 2020**	**As at 31st March 2019**
Liability at the end of the year	37.00	21.66
Fair value of plan assets at the end of the year	-	-
Amount Recognized in the Balance Sheet	**37.00**	**21.66**

Expenses recognized in the Income Statement:	**2019 - 2020**	**2018 - 2019**
Current service cost	11.79	5.98
Interest cost	1.66	1.05
Expense / (Income) recognized in statement of profit and loss	**13.45**	**7.03**

Balance sheet reconciliation	**As at 31st March 2020**	**As at 31st March 2019**
Opening net liability	21.66	13.59
Expense recognised in Statement of Profit and Loss	13.45	7.03
Expense/(income) recognised in Other comprehensive income	2.18	1.59
Benefits paid	(0.29)	(0.55)
Amount Recognized in Balance Sheet	**37.00**	**21.66**
Non current portion of defined benefit obligation	35.85	21.23
Current portion of defined benefit obligation	1.15	0.43

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

Sensitivity analysis of benefit obligation

Particulars		2019 - 2020	2018 - 2019
a)	**Impact of change in discount rate**		
	Present value of obligation at the end of the year		
	a) Impact due to increase of 1%	34.68	19.21
	b) Impact due to decrease of 1%	39.56	24.62
b)	**Impact of change in salary growth**		
	Present value of obligation at the end of the year		
	a) Impact due to increase of 1%	39.34	24.54
	b) Impact due to decrease of 1%	34.77	19.17
c)	**Impact of change in attrition rate**		
	Present value of obligation at the end of the year		
	a) Impact due to increase of 1%	36.47	21.51
	b) Impact due to decrease of 1%	37.53	21.80
d)	**Impact of change in mortality rate**		
	Present value of obligation at the end of the year		
	a) Impact due to increase of 10%	37.00	21.67

Maturity profile of defined benefit obligation

Particulars	As at 31st March 2020	As at 31st March 2019
Weighted average duration of the defined benefit obligation	12.07	12.58

Pay-out analysis

Particulars	As at 31st March 2020	As at 31st March 2019
1st year	1.15	0.43
2nd year	1.33	1.00
3rd year	1.06	1.19
4th year	1.61	0.97
5th year	2.37	1.39
Next 5 year pay-out (6-10 year)	12.97	9.22

(c) Compensated absences (non-funded)

As per the policy of the group, obligations on account of benefit of accumulated leave of an employee is settled only on termination / retirement of the employee. Such liability is recognised on the basis of actuarial valuation following Project Unit Credit Method.(In case of holding company and one subsidiary company)

Risks associated with plan provisions

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such group is exposed to various risks as follows:

Interest rate risk	The defined benefit obligation is calculated using a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
Salary inflation risk	Higher than expected increases in salary will increase the defined benefit obligation.
Demographic risk	This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

For determination of the liability in respect of compensated absences, the group has used following actuarial assumptions:

Particulars	**2019 - 2020**	**2018 - 2019**
Discount rate	6.25% - 6.85%	7.75%
Salary escalation	6.50%-8.00%	6.50%-7.00%
Attrition rate	5.00%-10.00%	5.00%-10.00%
Mortality rate	Indian Assured lives Mortality (2012-14)	Indian Assured lives Mortality (2006-08)

Changes in the present value of obligations:

Particulars	**2019 - 2020**	**2018 - 2019**
Liability at the beginning of the year	394.17	314.05
Interest cost	23.62	18.25
Current service cost	78.43	79.64
Benefits paid	(95.00)	(56.35)
Actuarial (gain)/loss on obligations	(66.83)	46.12
Provision for casual leave	-	(7.54)
Liability at the end of the year	**334.39**	**394.17**

Table of recognition of actuarial (gain) / loss :

Particulars	**2019 - 2020**	**2018 - 2019**
Actuarial (gain)/loss on obligation for the year	(66.83)	46.12
Actuarial (gain)/loss on assets for the year	-	-
Actuarial (gain)/loss recognized in Statement of Profit and Loss	**(66.83)**	**46.12**

Amount recognized in the Balance Sheet:

Particulars	**As at 31st March 2020**	**As at 31st March 2019**
Liability at the end of the year	334.39	394.17
Fair value of plan assets at the end of the year	-	-
Amount recognized in the Balance Sheet	**334.39**	**394.17**

Expenses recognized in the Statement of profit and loss:

Particulars	**2019 - 2020**	**2018 - 2019**
Current service cost	78.43	79.64
Interest cost	23.63	18.25
Expected return on plan assets	-	-
Benefits paid	(95.00)	(56.35)
Actuarial (Gain)/Loss	(66.83)	46.12
Expense recognized in Statement of Profit and Loss	**(59.77)**	**87.66**

Balance Sheet Reconciliation

Particulars	**As at 31st March 2020**	**As at 31st March 2019**
Opening net liability	394.17	306.51
Expense recognised in Statement of Profit and Loss	(59.77)	87.66
Amount recognized in Balance Sheet	334.40	394.17
Non-current portion of defined benefit obligation	247.85	301.18
Current portion of defined benefit obligation	86.55	92.99

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

Sensitivity analysis of benefit obligation (Leave encashment)

Particulars		2019 - 2020	2018 - 2019
a)	**Impact of change in discount rate**		
	Present value of obligation at the end of the year		
	a) Impact due to increase of 0.5%	296.90	348.75
	b) Impact due to decrease of 0.5%	312.42	371.57
b)	**Impact of change in salary growth**		
	Present value of obligation at the end of the year		
	a) Impact due to increase of 0.5%	312.36	371.57
	b) Impact due to decrease of 0.5%	296.89	348.63
c)	**Impact of change in withdrawal rate**		
	Present value of obligation at the end of the year		
	a) Withdrawal rate Increase	304.24	359.77
	b) Withdrawal rate decrease	304.66	359.53
d)	**Impact of change in mortality rate**		
	Present value of obligation at the end of the year		
	a) Impact due to increase	304.45	317.26

Maturity profile of defined benefit obligation

Particulars	As at 31st March 2020	As at 31st March 2019
Projected benefit obligation	334.39	284.95

Pay-out analysis

Particulars	As at 31st March 2020	As at 31st March 2019
1st year	63.85	65.47
2nd year	40.07	48.57
3rd year	39.34	43.59
4th year	32.30	38.29
5th year	30.08	35.20
Next 5 year pay-out (6-10 year)	117.06	148.04

51 Leases

A Disclosure for the year ended 31st March 2020:

I) Group as lessee:

The Company has taken hotel property under operating lease under non-cancellable operating leases. The Group has recognised management fees/ rent expenses of Rs. 338.23 lakhs during the year which is contingent in nature.

Note:

a) With respect to hotel properties/ land taken under lease/ operation and management arrangement, Group is liable to pay management fees/ rent based on gross operating profits, revenue etc. Since future revenue is contingent in nature, other disclosures as required under Ind AS 116 - 'Leases' are not quantifiable with respect to such arrangements as at 31st March 2020.

b) The Group has adopted Ind AS 116 'Leases' with the date of initial application being 1st April 2019. Ind AS 116 replaces Ind AS 17 'Leases' and related interpretation and guidance. The Company had made transition adjustment as per para C8(c)(ii) of Ind AS 116, i.e. prospective implementation without changing opening balance of reserves. Consequently, amounts of 'depreciation & amortisation', 'finance cost' and 'other expenses' are not comparable with previous year. Also refer note 3.12 for accounting policy on leases.

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

ROU asset	Carrying value as at year ended 31st March 2020	Depreciation for the year
Land & building	1,840.56	45.11

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

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

Particulars	FY 19-20
Interest expense on lease liabilities	305.60
Lease expenses in case of short term leases	-
Lease expenses in case of low value leases (other than short term as disclosed above)	-
Lease expenses debited to lease liabilities	301.53
Total cash outflow for leases [incl. short term & low value leases]	41.83
Additions to ROU assets (including additions as on 1st April 2019)	1,887.48
Variable lease payments not considered in measurement of lease liabilities	395.05
Income from subleasing ROU assets	-

e) Disclosure for impact of changes in accounting policy

As indicated in note 3.12, the Group has adopted Ind AS 116 – "Leases" retrospectively from 1st April, 2019, but has not restated comparatives for the 31st March, 2019 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new standard are therefore recognised in the opening balance sheet on 1st April, 2019 as given below:

Particulars	As at 1st April 2019
Right-of-use assets	1,883.20
Financial liability- Lease liabilities - current	258.95
Financial liability -Lease liabilities - non-current	1,624.25

The Group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right-of use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 31st March, 2019. The Group's weighted average incremental borrowing rate applied to the lease liabilities on 1st April, 2019 ranges from 12.00% to 22.00% .

On account of adoption of Ind AS 116, profit before tax has decreased by Rs. 49.18 lakhs for the year ended 31st March, 2020. In applying Ind AS 116 – "Leases" for the first time, the Group has used the practical expedients provided by the standard and therefore has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review, excluded initial direct costs from measuring the right of use asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease. The Group has used a single discount rate to a portfolio of leases with similar characteristics.

Measurement of lease liabilities

Particulars	2019-20
Operating lease commitments disclosed as at 31st March, 2019 (excluding contingent lease payment)	13,074.12
Discounted using the lessee's incremental borrowing rate of at the date of initial application	13,074.12
Low-value leases not recognised as a liability	-

Further, the difference between the lease obligation recorded as of 31st March, 2019 under Ind AS 17 disclosed under note 48 of the consolidated financial statements for the year ended 31st March 2019 and the value of the lease liability as of 1st April, 2019 is primarily on account of extension options reasonably certain to be exercised, in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

II) Group as a lessor

The Group is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor. The Group has given shops, office premises and hotel property under operating lease under non-cancellable operating leases. The Company had recognised management fees or royalty income of Rs. 212.75 lakhs. Maturity analysis of minimum lease income (undiscounted and excluding variable lease income) for above lease arrangement are as follows:

Particulars	As at 31st March 2020
Not later than one year	138.49
Later than one year and not later than five years	159.75
Later than five years	-
	298.24

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

Note:

With respect to hotel property given under operation and management agreement, Group gets management fees calculated based on percentage of revenue earned by the lessee from this property. Since future revenue is based on percentage of revenue which is contingent in nature, other disclosures as required under Ind AS 116 - 'Leases' are not quantifiable with respect to such arrangement as at 31st March 2020.

B Disclosure for year ended 31st March 2019

(a) Asset given under operating lease

The Group has given shops, office premises and hotel property under operating lease under non-cancellable operating leases. The Group had recognised management fees or royalty income of Rs. 177.65 lakhs. The contractual future minimum lease payment receivables in respect of these leases are:

Particulars	As at 31st March 2019
Not later than one year	95.41
Later than one year and not later than five year	16.54
Later than five year	-
	111.95

Total contingent rent income (in the form of royalty and management fees) recognised in Rs. 8.96 lakhs.

Note:

(i) With respect to hotel property given under operation and management agreement, group gets management fees calculated based on percentage of revenue earned by the lessee from this property. Since future revenue is based on percentage of revenue which is contingent in nature, other disclosures as required under Ind AS 17 - 'Leases' are not quantifiable with respect to such arrangement as at 31st March 2019.

(b) Asset taken under operating lease

The Company has taken hotel property under operating lease under non-cancellable operating leases. The Company has recognised management fees/ rent expenses of Rs. 299.56 lakhs. The contractual future minimum lease payable in respect of these leases are:

Particulars	As at 31st March 2019
Not later than one year	280.49
Later than one year and not later than five year	1,386.97
Later than five year	11,404.66
	13,072.12

Note:

(i) With respect to hotel properties/ land taken under lease/ operation and management arrangement, group is liable to pay management fees/ rent based on gross operating profits, revenue etc. Since future revenue is contingent in nature, other disclosures as required under Ind AS 17 - 'Leases' are not quantifiable with respect to such arrangements as at 31st March 2019.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

52 Note on Cash Flow Statement

i) The aggregate amount of outflow on account of direct taxes paid is Rs. 61.30 lakhs (Previous year: Rs. 230.41 lakhs) net of refund.

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

Particulars	Opening balance	Cash flows	Non-cash changes	Closing balance
	1st April 2019	2019-2020		31st March 2020
Borrowings (Including interest dues)	49,473.76	(3,176.58)	2,369.28	43,927.90

Particulars	Opening balance	Cash flows	Non-cash changes	Closing balance
	1st April 2018	2018-2019		31st March 2019
Borrowings (Including interest dues)	54,706.33	(5,232.57)	-	49,473.76

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

Particulars	As at 31st March 2020	As at 31st March 2019
Cash and cash equivalent as per note 19	1,535.19	800.32
Less: Bank balance - book overdraft as per note 34	(266.26)	(419.01)
Less: Fixed deposits regrouped under cash & cash equivalents	(74.10)	-
Net cash and cash equivalent	1,194.83	381.31
Less: Cash and cash equivalent shown under financing activity	-	-
Net cash and cash equivalent as disclosed in cash flow statement	**1,194.83**	**381.31**

53 Disclosures as required by Indian Accounting Standard (Ind AS) 108 - Operating Segments

There are no reportable segments under Ind AS-108 ‘Operating Segments’ as the Group is operating only in the hospitality service segment, therefore, disclosures of segment wise information is not applicable. Further, no single customer represents 10% or more of the group's total revenue during the year ended 31st March 2020 and 31st March 2019.

54 Going concern assumption

i) As per standalone financial results of the Holding Company, there are accumulated losses and current liabilities exceed the current assets as on 31st March 2020 and 31st March 2019. Further, in respect of loans, there are delays in repayment of principal, payment of interest and overdue instalments as on 31st March, 2020. In the opinion of the management, considering the future business prospects, management's action to mitigate the impact of COVID-19, management's request for seeking extension of the loan dues as stated in note 26.7(b) and the fact that the fair values of the assets are significantly higher than the borrowings/debts, the standalone financial results of the Holding Company have been prepared on a going concern basis which contemplates realisation of assets and settlement of liabilities in the normal course of Holding Company’s business.

ii) Subsidiary company (OHPPL) has incurred loss in the current year and previous year, its net worth is fully eroded and its current liabilities exceeds the current assets as on 31st March 2020 and 31st March 2019. Further, there are defaults in repayment of loans & interest and non-provision of interest. Considering, the limited support available from the Holding Company due to its financial constraints, provision for impairment of fixed assets made in the current year [also refer note 44.2] and earlier year and management's action to mitigate the impact of Covid-19, in the opinion of the management, the financial results of the subsidiary company are prepared on going concern basis.

iii) Subsidiary company (MPPL) has incurred losses in the current quarter and current year, its accumulated losses are in excess of its paid up capital and reserves and its current liabilities are exceeding current assets as on 31st March 2020 and 31st March 2019. In the opinion of the management, the financial statements are prepared on going concern basis, considering (a) future prospectus of business from hotel property post expiry of operation and management agreement with Holding Company; (b) fair value of the underlying hotel property; and (c) commitment from the Holding Company for financial support from time to time (d) management's action to mitigate the impact of Covid-19.

iv) There are accumulated losses, negative net worth and negative working capital in Holding company and two subsidiaries (OHPPL & MPPL). For preparation of standalone financials of Holding company and two subsidiaries, going concern assumption is considered appropriate by the management as appropriate steps are being taken to mitigate the impact of accumulated losses, improve the cash flows, management's request for seeking extension of the loan dues where applicable, management's action to mitigate the impact of COVID-19 as described in note 57 of the consolidated financial statements and also fair value of the assets of Holding Company are significantly higher than the borrowing/debts. In view of the above and in the opinion of management, the consolidated financial statements have also been prepared on a going concern basis.

55 During the current year, Group's three hotel properties in Orissa were affected due to ‘Cyclone Fani’. a) In resect of Holding Company, net block of assets destroyed was Rs. Nil. Pending final approval, insurance claim is not recognised as revenue in the year ended 31st March 2020. b) In respect of subsidiary company (MPPL), loss of Rs. Rs. 264.43 lakhs (net of insurance claim) has been accounted in the year ended 31st March 2020 in its financial statements. Based on the management's assessment of the balance claim, no further loss is anticipated. Appropriate accounting has been made in the standalone and consolidated financial results for the year ended 31st March 2020.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

56 The subsidiary company (OHPPL) is in the process of appointing Chief Financial Officer and Company Secretary (key managerial personnel) as required by Section 203 of the Companies Act, 2013.

57 Due to outbreak of COVID-19 pandemic, there is a significant impact on the business operations of the Group and joint venture during the lockdown period. With the lifting of the partial lockdown restrictions by Central and State Governments, the Group and joint venture has re-opened its hotels partially in the month of June 2020 after establishing thorough and well-rehearsed safety measures. The Holding Company and subsidiary company (OHPPL) has re-opened its hotels in Mumbai and Pune to cater to the guests quarantined under Vande Bharat Mission. The Group and joint venture expects the demand for its services to pick up at a slower pace once lockdown is completely lifted and recovery in business to be driven by domestic and international leisure and business travel. The Group and joint venture has carried out impairment assessment for the carrying value of property, plant & equipment, right of use asset, intangible assets, trade receivables, inventories and other assets based on the internal and external information upto the date of approval of these consolidated financial statements 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 account of shut down of the hotels. The impact of the global health pandemic may be different from that estimated as at the date of approval of these consolidated financial statements and the Group and joint venture will continue to monitor the future economic conditions and assess its impact on consolidated financial statements.

58 Additional information as required under schedule III to the Companies Act, 2013, of the enterprises consolidated as subsidiary are as given below.

As at 31st March, 2020

Name of the Entity	Net Assets		Share in total comprehensive income	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount
Holding Company				
Kamat Hotels (India) Limited	-6.89%	847.07	147.44%	3,579.09
Subsidiaries				
Orchid Hotels Pune Private Limited	230.96%	(28,405.50)	-32.15%	(780.46)
Kamats Restaurants (India) Pvt Ltd	0.01%	(0.78)	-0.01%	(0.35)
Mahodadhi Palace Private Limited	8.43%	(1,036.38)	-8.00%	(194.09)
Fort Jadhavgadh Hotels Private Limited	0.01%	(1.70)	-0.02%	(0.39)
Orchid Hotel Eastern (India) Pvt Ltd.	-0.26%	32.42	0.02%	0.54
(Formely known as Green Dot Restaurant Private Limited)				
Joint Venture				
Ilex Developers and Resorts Limited	-0.88%	108.51	-3.41%	(82.67)
Consolidation Adjustment / Eliminations	-131.37%	16,157.27	-3.88%	(94.24)
Total	**100.00%**	**(12,299.09)**	**100.00%**	**2,427.43**

31st March, 2019

Name of the Entity	Net Assets		Share in total comprehensive income	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount
Holding Company				
Kamat Hotels (India) Limited	18.48%	(2,732.02)	148.48%	2,511.52
Subsidiaries				
Orchid Hotels Pune Private Limited	186.86%	(27,625.04)	-51.93%	(878.33)
Kamats Restaurants (India) Pvt Ltd	0.00%	(0.43)	-0.03%	(0.44)
Mahodadhi Palace Private Limited	5.70%	(842.29)	0.23%	3.93
Fort Jadhavgadh Hotels Private Limited	0.01%	(1.31)	-0.03%	(0.47)
Orchid Hotel Eastern (India) Pvt Ltd.	-0.22%	31.80	0.04%	0.67
(Formely known as Green Dot Restaurant Private Limited)				
Joint Venture				
Ilex Developers and Resorts Limited	-3.05%	451.48	5.53%	93.57
Consolidation Adjustment / Eliminations	-107.78%	15,933.92	-2.30%	(38.92)
Total	**100.00%**	**(14,783.89)**	**100.00%**	**(1,691.53)**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

59 Financial instruments - Accounting classifications & fair value measurement

(a) Financial instruments by category

Sr. No.	Particulars	31st March 2020			31st March 2019		
		Amortised Cost	FVTOCI	FVTPL	Amortised Cost	FVTOCI	FVTPL
A	**Financial assets**						
	(i) Non-current investments	-	-	15.32	-	-	11.02
	(ii) Other non-current financial asset	2,033.14	-	-	1,966.66	-	-
	(iii) Trade receivables (net)	1,006.52	-	-	1,263.75	-	-
	(iv) Cash and cash equivalents	1,535.19	-	-	800.32	-	-
	(v) Other bank balances	108.96	-	-	157.81	-	-
	(vi) Other current financial assets	70.90	-	-	16.82	-	-
	(vii) Investments	3.81	-	-	5.25	-	-
	(viii) Loans - current	13.61	-	-	13.80	-	-
	Total financial assets	**4,772.13**	**-**	**15.32**	**4,224.41**	**-**	**11.02**
B	**Financial liabilities**						
	(i) Non-current borrowings	20,622.70	-	-	26,016.58	-	-
	(ii) Other financial liabilities	119.86	-	-	110.49	-	-
	(iii) Current borrowings	-	-	-	-	-	-
	(iv) Trade payables	2,666.41	-	-	2,052.12	-	-
	(v) Other current financial liabilities	29,937.82	-	-	29,095.81	-	-
	(vi) Leases - noncurrent	1,666.52	-	-	-	-	-
	(vii) Leases - current	223.22	-	-	-	-	-
	Total financial liabilities	**55,236.53**	**-**	**-**	**57,275.00**	**-**	**-**

FVTOCI - Fair Value Through Other Comprehensive Income

FVTPL - Fair Value Through Profit or Loss

Note: Above disclosure excludes investments (gross) in subsidiaries and joint venture amounting to Rs. 422.38 lakhs as on 31st March, 2020 (Previous year: Rs. 451.48 lakhs) as these are valued at cost in accordance with Ind As 27 - Separate Financial Statement.

(b) Fair valuation techniques

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The management assessed that fair value of Trade receivables (net), Cash and cash equivalents, Other current financial assets, Current borrowings, Trade payables and Other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Further, the management has assessed that fair value will be approximate to their carrying amounts as they are priced to market interest rates on or near the end of reporting period.

(c) Fair value hierarchy

Financial assets and financial liabilities are measured at fair value in the financial statement and are grouped into three levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

(d) Financial assets/ liabilities measured at fair value

The following table represents the fair value hierarchy of assets and liabilities measured at fair value on a recurring basis.

Particulars	Level	31st March 2020		31st March 2019	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets					
Non-current investments	**Level 1**	0.03	0.02	0.03	0.06
Non-current investments	**Level 2**	5.01	15.30	5.01	10.96
Total financial assets		**5.04**	**15.32**	**5.04**	**11.02**

Notes:

(i) The above disclosures are given only for non-current financial assets and non-current financial liabilities. Short term financial assets and current financial liabilities (cash and cash equivalents, other receivables, trade payables and other current financial liabilities) represents the best estimate of fair value.

(ii) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Group could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

(e) Fair value of instruments measured at amortised cost:

Particulars	Level	31st March 2020		31st March 2019	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets					
Loans	**Level 3**	2,023.28	2,023.28	1,960.41	1,960.41
Total financial assets		**2,023.28**	**2,023.28**	**1,960.41**	**1,960.41**
Financial liabilities					
Borrowings	**Level 3**	19,817.97	18,684.68	22,876.68	24,112.67
Other financial liabilities	**Level 3**	176.69	119.86	202.66	110.49
Lease liabilities	**Level 3**	1,666.52	1,666.52	-	-
Total financial liabilities		**21,661.18**	**20,471.06**	**23,079.34**	**24,223.16**

Notes:

(i) The above disclosures are given only for non-current financial assets and non-current financial liabilities. Short term financial assets and current financial liabilities (investment, cash and cash equivalents, other receivables, trade payables and other current financial liabilities) represents the best estimate of fair value.

(ii) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Group could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

(iii) There have been no transfers between Level 1 and Level 2 for the years ended March 31, 2020 and March 31, 2019.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

60 Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee reports regularly to the Board of Directors on its activities. The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by internal audit team. Internal audit team undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

The Group has exposure to the following risks arising from financial instruments:

• Credit risk;

• Liquidity risk;

• Market risk

(a) Credit risk :

Credit risk is the risk of financial loss to the Group if a counter party to a financial instruments fail to meet its contractual obligations. The Group is exposed mainly to credit risk which arises from cash and cash equivalents and deposit with banks.

(i) Cash and cash equivalent

The Company considers factors such as track record, size of institution, market reputation and service standards to select the banks with which balances and deposits are maintained. The bank balance and fixed deposits are generally maintained with the banks with whom the Company has regular transactions. Further, the Company does not maintain significant cash in hand other than those required for its day to day operations. Considering the same, the Company is not exposed to expected credit loss of cash and cash equivalent and bank deposits.

(ii) Trade receivables

The major exposure to the credit risk at the reporting date is primarily from receivable comprising of trade receivables. Credit risk on receivable is limited due to the Company's diverse customer base. The effective monitoring and controlling of credit risk through credit evaluations is a core competency of the Company's risk management system.

For expected credit loss of trade receivable, Company follows simplified approach as per which provision is made for receivable exceeding six months/ one year based on category of receivable. This is based on historically observed default rates over the expected life of trade receivables. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

The Reconciliation of Expected Credit Allowance (ECL) is as given below:

Particulars	31st March 2020	31st March 2019
Balance at the beginning	1,512.72	1,619.93
Less: Utilized	13.71	170.78
	1,499.01	1,449.15
Add: Provision for ECL made in the year / (written back)	61.40	63.57
Balance at the year end	**1,437.61**	**1,512.72**

(b) Liquidity risk :

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows to ensure it has sufficient cash to meet operational needs. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance and compliance with internal statement of financial position ratio targets.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

(i) Maturities of financial liabilities:

The following are the remaining contractual maturities of financial liabilities at the reporting date:

Particulars	Less than 1 year	1 to 5 year	Above 5 years	Total
As at 31st March 2020				
Borrowings	-	20,622.70	-	**20,622.70**
Lease liabilities	223.22	724.37	942.15	**1,889.74**
Trade payables	2,666.41	-	-	**2,666.41**
Other financial liabilities	98.55	-	21.31	**119.86**
Other current financial liabilities	29,937.82	-	-	**29,937.82**
As at 31st March 2019				
Borrowings	-	26,016.58	-	**26,016.58**
Lease liabilities	-	-	-	**-**
Trade payables	2,052.12	-	-	**2,052.12**
Other financial liabilities	110.49	-	20.69	**131.18**
Other current financial liabilities	29,095.81	-	-	29,095.81

(c) Market risk

Market risk is the risk that the changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The pre dominant currency of the Company's revenue and operating cash flows is Indian Rupees (INR). Group has earnings in foreign currency. There is no foreign currency risk as there is no outstanding foreign currency exposure at the year end.

(i) Interest Rate Risk

The Group has taken term loans from bank and others (including loan assigned by banks on one time settlement). With respect to loans which are settled with banks or assigned to asset reconstruction companies aggregating to Rs. 3,581.90 lakhs as at 31st March 2020 (as at 31st March 2019 Rs. 27,378.79 lakhs), there is no interest payable. Other borrowings attracts fixed rate of interest. Therefore, there are no interest rate risks, since neither the carrying amount nor the future cash flows will fluctuate because of change in market interest rates.

With respect to loan from IARC in one of the subsidiary (Orchid Hotels Pune Private Limited), it has not provided/ paid any interest on the loan [Refer note 34.1(a)]. Considering same, interest rate risk as defined in Ind AS 107 is not quantifiable, since the future cash flows are dependent on settlement procedures and financial position of this subsidiary.

(ii) Foreign Currency Risk

The pre dominant currency of the Group's revenue and operating cash flows is Indian Rupees (INR). Group has earnings in foreign currency, however it has no exposure in foreign currency at the year end. Considering the same, there is no foreign currency risk to the Group.

61 Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern so, that they can continue to provide returns for shareholders and benefits for other stakeholders and maintain an optimal capital structure to reduce cost of capital. The Group manages its capital structure and make adjustments to, in light of changes in economic conditions, and the risk characteristics of underlying assets. In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define the capital structure requirements.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. The ratio is calculated as net debt divided by equity. Net debt is calculated as total borrowing (including current and non-current terms loans as shown in the balance sheet).

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

As stated in note 34.1(b) subsidiary company's (Orchid Hotels Pune Private Limited) borrowings have become non-performing assets and loan was assigned by Bank to ARC. The subsidiary company has also offered full co-operation to the lenders on their proposal to find a viable solution for revival of the hotel property. In case the proposal is not accepted, the lender may immediately call outstanding loan dues and it may impact on the operation of the subsidiary company and the Group and impact its ability to continue as going concern.

The Group monitors capital using 'Total Debt' to 'Equity'. The Company's Total Debt to Equity are as follows:

Particulars	**As at 31st March 2020**	**As at 31st March 2019**
Total debt*	43,927.88	49,473.76
Total capital (total equity shareholder's fund)	(12,299.09)	(14,783.89)
Net debt to equity ratio	(3.57)	(3.35)

*** Total debt = Non-current borrowings + current maturities of non-current borrowings**

As per our audit report of even date

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

For and on behalf of the Board of Directors

Sandeep Shah
Partner
Membership No. 37381

Place: Mumbai
Date: 30th July, 2020

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

Dinkar D. Jadhav
Director
(DIN : 01809881)

Smita Nanda
Chief Financial Officer

Shruti Shrivastav
Company Secretary

Place: Mumbai
Date: 30th July, 2020

Financial Highlights of the Company (Standalone)

Rs. in lakhs

Particulars	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
Income from operations	17,930.64	19,239.08	17,528.61	15,466.91	15,084.55	13,331.29	13,405.76	13,831.97	14,162.77	12,070.28	10,281.27
Other Income	89.99	180.19	497.10	995.51	731.65	599.34	2,273.30	2,455.29	2,229.04	257.56	1,082.76
Total Income	18,020.63	19,419.27	17,528.61	16,462.42	15,816.20	13,930.63	15,679.06	16,287.26	16,391.81	12,327.84	11,364.03
Total Expenditure	16,796.42	15,837.02	14,172.05	14,449.49	16,369.34	20,400.20	40,489.66	17,203.91	16,373.20	11,821.83	11,299.55
Profit/(Loss) Before Tax (including Exceptional items)	3,593.49	3,582.25	5,108.46	3,482.94	(553.14)	(6,469.57)	(24,810.60)	(916.65)	18.61	506.01	64.48
Taxation	*23.90*	*1,075.29*	*1,319.43*	24.99	(117.17)	(553.88)	(1,549.91)	(350.26)	(80.58)	349.10	(74.20)
Profit/(Loss) After Tax	3,569.59	2,506.96	3,789.03	3,817.95	(8,528.27)	(5,915.69)	(23,260.69)	(566.39)	99.19	137.32	138.68
Equity Share Capital	2,417.26	2,417.26	2,417.26	2,417.26	2,417.26	2,417.26	2,417.26	1,968.19	1,968.19	1,562.97	1,378.59
Reserves and Surplus	(1,570.19)	(5,149.28)	(7,660.80)	(11,379.08)	(13,585.02)	(5,056.76)	1,418.95	22,642.61	23,209.01	17,576.78	15,134.70
Net-worth	553.14	(3,025.77)	(5470.62)	(9255.75)	(11,461.69)	(2,933.42)	3,542.28	24,316.87	24,883.26	19,139.75	16,513.29
Earning per Share (Rs.)	15.14	10.63	16.07	16.19	(36.16)	(25.08)	(111.67)	(2.97)	0.62	0.96	1.05
Book Value per Share (Rs.)	2.35	(12.83)	(23.20)	(39.25)	(48.54)	(12.44)	15.02	127.36	130.32	127.25	125.13
Return on Net Worth (percentage)	645.33	NA	NA	NA	NA	NA	(656.66)	(2.33)	0.40	0.72	0.84
Dividend	-	-	-	-	-	-	-	-	-	-	-

(*As per Ind As Financials)

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Salient Features of Financial Statements of Subsidiaries / Joint Venture as per Companies Act, 2013

Part "A": Subsidiaries

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

Sr. No.	Name of the Subsidiary Company	The Date since Subsidiary was acquired	Year	Reporting Currency	Equity Share Capital	Other Equity	Total Assets	Total Liabilities	Investments	Revenue from Operations/ Other Income	Profit Before Taxation	Provision for Taxation	Profit after Taxation	Other Comprehensive Income	Total Comprehensive Income	Proposed Dividend	% of Shareholding
1	Orchid Hotels Pune Private Limited	21-05-09	2019-2020	INR	1,176.47	(29,581.97)	18,021.11	46,426.61	-	4,483.57	(778.28)	-	(778.28)	(2.18)	(780.46)	Nil	100%
			2018-2019	INR	1,176.47	(28,801.51)	16,863.88	44,488.92	-	4,579.27	(876.74)	-	(876.74)	(1.59)	(878.33)	Nil	100%
2	Kamats Restaurants (India) Private Limited	28-05-11	2019-2020	INR	1.00	(1.78)	0.15	0.93	-	-	(0.35)	-	(0.35)	-	(0.35)	Nil	100%
			2018-2019	INR	1.00	(1.43)	0.16	0.59	-	-	(0.44)	-	(0.44)	-	(0.44)	Nil	100%
3	Mahodadhi Palace Private Limited (Formerly Fort Mahodadhinivas Palace Private Limited)	30-04-11	2019-2020	INR	1.00	(1,037.38)	1,712.15	2,749.13	-	64.05	(268.28)	74.19	(194.09)	-	(194.09)	Nil	100%
			2018-2019	INR	1.00	(843.29)	1,866.43	2,708.72	-	70.62	5.33	(1.40)	3.93	-	3.93	Nil	100%
4	Fort Jadhavgadh Hotels Private Limited	15-03-12	2019-2020	INR	1.00	(2.70)	0.14	1.84	-	-	(0.39)	-	(0.39)	-	(0.39)	Nil	100%
			2018-2019	INR	1.00	(2.31)	0.15	1.46	-	-	(0.47)	-	(0.47)	-	(0.47)	Nil	100%
5	Orchid Hotels Eastern (India) Private Limited (Formerly Green Dot Restaurants Private Limited)	25-10-12	2019-2020	INR	1.00	31.42	32.52	0.10	-	1.22	0.84	0.22	0.62	-	0.62	Nil	100%
			2018-2019	INR	1.00	30.80	31.99	0.19	-	1.18	0.70	0.03	0.67	-	0.67	Nil	100%

Salient Features of Financial Statements of Subsidiaries / Joint Venture as per Companies Act, 2013

Part "B": Joint Venture

				Shares held by the Company on the year end			Networth attributable to shareholding as per latest audited Balance Sheet	Profit/(Loss) for the year			
Sr. No.	Name of the Joint Venture	Latest Audited Balance Sheet date	Date on which the Joint Venture was acquired	No. of Shares	Amount of Investment	Extent of Holding		Considered in consolidation (to the extent of Group's effective shareholding, under Equity method)	Not Considered in Consolidation	Description of how there is significant influence	Reason why the Joint Venture is not consolidated
1	Ilex Developers & Resorts Limited	Tuesday, March 31, 2020	Tuesday, March 23, 2010	266500	533.00	32.92%	319.11	(29.10)	(53.57)	32.92% Shareholding	not a subsidiary
		Sunday, March 31, 2019		266500	533.00	32.92%	346.33	28.93	64.64	32.92% Shareholding	not a subsidiary

The notes referred to above form an integral part of the standalone financial statements
As per our audit report of even date

For and on behalf of the Board of Directors

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

Dinkar D. Jadhav
Director
(DIN : 01809881)

Smita Nanda
Chief Financial Officer

Shruti Shrivastav
Company Secretary

Place: Mumbai
Date: 30th July, 2020

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KAMAT HOTELS (INDIA) LIMITED

MUMBAI | PUNE

PUNE

PURI - ODISHA

KONARK - ODISHA, GOA - BENAULIM
MURUD - DAPOLI

*Note: If undelivered please return it to the KHIL House, 70-C, Nehru Road, Adjoining Orchid Hotel, Vile Parle (East), Mumbai - 400 099. Tel: +91 22 2616 4000