KAMAT HOTELS (INDIA) LIMITED

"Asia's Pioneering Hospitality Chain of Environmentally Sensitive 5 Star Hotels & Resorts"

31st August 2023

To,
Listing Department
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

Code: 526668
ISIN: INE967C01018

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

Symbol:- KAMATHOTEL

Dear Sir/Madam,

Subject: Intimation as per Regulation 42 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 for Annual General Meeting and Book Closure for Annual General Meeting

Pursuant to Regulation 42 SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, we would like to inform you that the Thirty Sixth Annual General Meeting of the Company is Scheduled to be held on Saturday, 23rd September, 2023 at 11:30 AM through Video Conferencing (VC) / Other Audio-Visual Means (OAVM). The Register of Members and Share Transfer Books of the Company will remain close from Saturday, 16th September 2023 to Saturday, 23rd September 2023 (both days inclusive) for the purpose of holding Thirty Sixth Annual General Meeting.

Kindly acknowledge the receipt of the same.

Thanking you,

Yours faithfully,
For Kamat Hotels (India) Limited

VITHAL VENKETESH KAMAT
Digitally signed by VITHAL VENKETESH KAMAT
Date: 2023.08.31 18:05:25 +05'30'

Dr. Vithal V. Kamat
DIN00195341
Executive Chairman & Managing Director
Encl. a/a.

KAMAT HOTELS (INDIA) LIMITED

Annual Report 2022-2023

ira BY ORCHID HOTELS

A new ERA of Indian Hospitality

THE ORCHID ECOTEL HOTELS & RESORTS FRIENDLY. ECO-FRIENDLY | Fort JadhavGADH A Gadh Heritage Hotel Ladh, Jhagadh, Aage Badh... | MAHODADHI PALACE A Beach View Heritage Hotel Puri - Odisha | LOTUS RESORTS By ORCHID Hotels | ira BY ORCHID HOTELS

THE BACKBONE
OF KAMAT HOTELS (INDIA) LIMITED

Dr. Vithal Venkatesh Kamat
Executive Chairman and Managing Director

Dr Vithal Venkatesh Kamat, a second-generation restaurateur, a pioneer in green hotels, an environmentalist, an entrepreneur, an educationalist, an antiquarian, an ornithologist, an author, a globetrotter, and a black belt holder in karate, is a versatile personality. Having begun his journey in a small, family-owned vegetarian restaurant, Dr. Vithal Kamat today is Chairman and Managing Director of Kamat Hotels (India) Limited with an experience of 38+ years in the line of Hospitality Business. Dr Kamat is a recipient of many National and International Awards including "Best CEO of Industry Award" by The Indian Express, "Golden Peacock Award" received from the hands of His Holiness The Dalai Lama. The International Council of Pacific Area Travel writers Association (PATWA) honoured Dr. Kamat with lifetime contribution award "Hall of Fame Lifetime Contribution in Hospitality Industry Award" given at the ITB, Berlin, Germany 2008.

Mr. Vishal Vithal Kamat
Executive Director

Mr. Vishal Vithal Kamat is the Executive Director - Kamat Hotels (India) Limited a leading player in the hospitality and food service industry in India. He is a science graduate (BSc) with specialization in Hotel Management from the Institute of Hotel Management and Catering Technology and Applied Nutrition (IHMCTAN),Mumbai.and has over 15 years of experience in the hospitality sector.A seasoned hotelier with significant expertise in national and global hospitality, Mr.Vishal Vithal Kamat oversees the company's operational functions, management portfolio and overall performance at corporate and property levels. He leads the team of industry professionals to spearhead Kamat Group of Hotels' flagship brands - 'The Orchid' Asia's First 5 Star Ecotel Hotel, 'Fort JadhavGadh' Maharashtra's only fort heritage hotel, Lotus Resorts, 'IRA' luxury chain of 4 star hotels and 'Dr. Vithal Kamats - Original Family Restaurant' chain spread across India. An active and engaged hospitality industry leader, Mr.Vishal Kamat has been associated with various travel industry trade association, Hospitality Federations and has been invited for guest lecturers at premier institutes.

KAMAT HOTELS (INDIA) LIMITED

BOARD OF DIRECTORS

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

Mr. Vishal V. Kamat*
(Executive Director)

Mr. Sanjeev B. Rajgarhia
(Non-Executive Non-Independent Director)

Ms. Vidita V. Kamat
(Non-Executive Non-Independent Director)

Mr. Hrishikesh B. Parandekar*
(Lenders Nominee Director)

Mr. Kaushal Kamalkishore Biyani*
(Lenders Nominee Director)

*Appointed on 27th May 2023

Mr. Vilas R. Koranne
(Independent Director)

Mr. Ramnath P. Sarang
(Independent Director)

Mrs. Harinder Pal Kaur
(Independent Director)

Mr. Tej Mayur Contractor*
(Independent Director)

Mr. Apurva S. Muthalia*
(Independent Director)

Mr. Ajit Naik*
(Independent Director)

Mrs. Smita Nanda
(Chief Financial Officer)

Mr. Hemal Sagalia
Company Secretary (resigned on 10th March, 2023)

Mr. Nikhil Singh
Company Secretary (Appointed on 30th August, 2023)

BANKERS
Canara Bank
Union Bank of India
State Bank of India
Axis Bank
Punjab National Bank
Kotak Mahindra Bank
HDFC Bank
UCO Bank

STATUTORY AUDITORS
M/s. N. A. Shah Associates LLP

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
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 Sixth Annual General Meeting of the members of **Kamat Hotels (India) Limited** will be held on Saturday 23rd September 2023 at 11.30 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 2023 and Reports of the Board and Auditors thereon.
2. To appoint a Director in place of Dr. Vithal V. Kamat (DIN00195341) and Mr. Sanjeev B. Rajgharia (DIN: 07857384), who retire by rotation and being eligible, offer themselves for re-appointment.

SPECIAL BUSINESS:

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

   "RESOLVED THAT pursuant to recommendation of Nomination and Remuneration Committee and pursuant to approval of the Board of Directors and in accordance with the provisions of sections 149, 152 and Schedule IV read with Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modifications or re-enactment thereof for the time being in force) Mr. Ramnath P. Sarang (DIN 02544807), Independent Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for reappointment be and is hereby re-appointed ,as an Independent Director of the Company, not liable to retire by rotation, for a further period of 5 years, with effect from 27th May 2024 on the same terms as per his existing appointment;

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

   "RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee and pursuant to approval of the Board of Directors and in accordance with the provisions of Sections 149 and 152 of the Act, read with Schedule IV and other applicable provisions of the Act (including any statutory modification, amendment, or re-enactment thereof for the time being in force), the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time and pursuant to Regulation 16(1)(b) and Regulation 17 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as amended from time to time, and pursuant to the Articles of Association of the Company, the approval of the members of the Company be and is hereby accorded for appointment of Mr. Sanjeev Rajgarhia (DIN: 07857384) from the designation of Non-executive Director to Non-Executive Independent Director, who is eligible for appointment as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director and who has submitted a declaration that he meets the criteria for Independence as provided in Section 149(6) of the Companies Act, 2013, as an Independent Non-Executive Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for a term of 5 years on the Board of the Company w.e.f. October 01, 2023."

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: 30th August, 2023

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

NOTES:

1. In view of the threat posed by the COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') vide its General Circular No. 11/2022 dated December 28, 2022 read with Circular Nos.14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020, 2/2021 dated January 13, 2021, 19/2021 dated December, 8, 2021, 21/2021 dated December 14, 2021, 02/2022 dated May, 5 2022 and 10/2022 dated December 28, 2022 ("MCA Circulars") and the Securities and Exchange Board of India ('SEBI') vide its Circular Nos. SEBI/HO/CFD/CMD1/CIR /P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/ CIR/P/2021/11 dated January 15, 2021, SEBI/HO/CFD/ CMD2/CIR/P/2022/62 dated May 13, 2022 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 ("SEBI Circular") has permitted the holding of the Annual General Meeting ('AGM') through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM'), without the physical presence of the Members at a common venue. In compliance with these MCA circulars and SEBI Circulars, applicable provisions of the Companies Act, 2013 ('the Act') (including any statutory modifications or re-enactments thereof for the time being in force) read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and pursuant to Regulation 44 of the SEBI (Listing

KAMAT HOTELS (INDIA) LIMITED

Obligations & Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), the 36th AGM of the Company is being conducted through VC/OAVM Facility. The Company has enabled the Members to participate at the 36th AGM through the VC facility provided by Link Intime India Private Limited, Registrar and Share Transfer Agents ('RTA /LIIPL'). The instructions for participation by the Members are given in the subsequent paragraphs. Participation at the AGM through VC shall be allowed on a first-come-first-serve basis.

2. In compliance with the aforesaid Circulars, Members attending the 36th AGM through VC shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

3. The Company has provided the facility to Members to exercise their right to vote by electronic means, both through remote e-voting and e-voting during the AGM. The process of remote e-voting with necessary user id and password is given in the subsequent paragraphs. Such remote e-voting facility is in addition to e-voting that will take place during the 36th AGM being held through VC.

4. Members joining the meeting through VC, who have not already cast their vote by means of remote e-voting, shall be able to exercise their right to vote through e-voting during the AGM. The Members who have cast their vote by remote e-voting prior to the AGM may also join the AGM through VC but shall not be entitled to cast their vote again.

5. Since the AGM is being held through video conferencing/other audio-visual means, physical attendance of Members has been dispensed with for the 36th AGM. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence, the Proxy Form, Attendance Slip and route map of the AGM venue are not annexed to this Notice. However, a Member may appoint a representative as per applicable provisions of the Companies Act, 2013 to attend and/or vote.

6. The Explanatory Statement pursuant to Section 102 of the Act, in respect of the Special Business mentioned in Item Nos. 3 & 4 of the accompanying Notice is annexed hereto.

7. Corporate Members are required to access the link https://instameet.linkintime.co.in and upload a certified copy of the Board resolution authorizing their representative to attend the AGM through VC and vote on their behalf.

8. In case of joint holders attending the Meeting, the member whose name appears as the first holder in the order of names shall be entitled to vote.

9. The Register of Directors and Key Managerial Personnel ('KMP') and their shareholding, maintained under Section 170 of the Act and the Register of Contracts and Arrangements, in which the Directors are interested, maintained under Section 189 of the Act, shall be available for inspection during the 36th AGM. Members seeking to inspect such documents can send an email to cs@khil.com.

10. Members are requested to note that the Company's Equity shares are under compulsory DEMAT trading for all class of investors, as per the provisions of SEBI circular dated 29th May, 2000. In view of the above, members are advised in their own interest to dematerialize the shares held by them in physical form to avoid inconvenience and avail various benefits of dematerialization.

11. In line with the aforesaid Circulars, the notice of the 36th AGM along with the Annual Report 2022-23 are being sent only by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. Members may please note that this Notice and Annual Report 2022-23 is also being made available on the Company's website at https://www.khil.com/annual-reports/annual-reports.html and on 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.

12. Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, 16th September, 2023 to Saturday, 23rd September, 2023 (both days inclusive) for determining the name of members for the purpose of AGM.

13. E-voting period will start from Wednesday, 20th September, 2023 at 9:30 a.m. and will end on Friday, 22nd September, 2023 at 5:00 p.m. Members holding shares as at the close of business hours on Friday, 15th September, 2023 (being 'cut-off date') shall be entitled to vote on the matters provided in this Notice.

14. Members, in the event of transfer of shares and the unclaimed dividends to IEPF, members are entitled to claim the same from the IEPF authority by submitting an online application in e-Form IEPF-5 available on http://www.iepf.gov.in/ along with the requisite documents enumerated in Form IEPF-5. Members can file only one consolidated claim in a Financial Year as per the IEPF Rules. Pursuant to Rule 5(8) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded details of unpaid and unclaimed amounts lying with the Company on its website at https://www.khil.com/investors/investors.html and also on the website of the MCA.

15. Members desirous of obtaining any information on the financials and operations of the Company, are requested to send an email to the Company at least seven working days prior to the date of the AGM, so that the information can be kept ready during the meeting.

- **Remote e-Voting Instructions for shareholders post change in the Login mechanism for Individual shareholders holding securities in demat mode, pursuant to SEBI circular dated December 9, 2020:**

  Remote e-Voting Instructions for shareholders:

  As per the SEBI circular dated December 9, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.

Login method for Individual shareholders holding securities in demat mode is given below:

1. Individual Shareholders holding securities in demat mode with NSDL

    1. Existing IDeAS user can visit the e-Services website of NSDL viz... https://eservices.nsdl.com either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login"" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be re-directed to “InstaVote” website for casting your vote during the remote e-Voting period.

    2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp

    3. 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 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to “InstaVote” website for casting your vote during the remote e-Voting period.

2. Individual Shareholders holding securities in demat mode with CDSL

    1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. The option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password.

    2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by the company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider i.e. LINKINTIME for casting your vote during the remote e-Voting period. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly.

    3. If the user is not registered for Easi/Easiest, the option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.

    4. Alternatively, the user can directly access the e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, the user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

3. Individual Shareholders (holding securities in demat mode) login through their depository participants You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on the company name or e-Voting service provider name i.e. LinkIntime and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Login method for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode is given below:

Individual Shareholders of the company, holding shares in physical form / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in

2. Click on **“Sign Up”** under **‘SHARE HOLDER’** tab and register with your following details: -

    A. User ID:

    Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.

    B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

C. **DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

D. **Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

Shareholders holding shares in **physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above*

Shareholders holding shares in **NSDL form, shall provide 'D' above*

- Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter).
- Click "confirm" (Your password is now generated).

3. Click on 'Login' under **'SHARE HOLDER'** tab.
4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on **'Submit'.**

Cast your vote electronically:

1. After successful login, you will be able to see the notification for e-voting. Select **'View'** icon**.**
2. E-voting page will appear.
3. Refer the Resolution description and cast your vote by selecting your desired option **'Favour / Against'** (If you wish to view the entire Resolution details, click on the **'View Resolution'** file link).
4. After selecting the desired option i.e. Favour / Against, click on **'Submit'.** A confirmation box will be displayed. If you wish to confirm your vote, click on **'Yes',** else to change your vote, click on 'No' and accordingly modify your vote.

Guidelines for Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIIPL at https://instavote.linkintime.co.in and register themselves as **'Custodian / Mutual Fund / Corporate Body'**. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the **'Custodian / Mutual Fund / Corporate Body'** login for the Scrutinizer to verify the same.

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders:

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at enotices@linkintime.co.in or contact on: - Tel: 022 – 4918 6000.

Helpdesk for Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	**Helpdesk details**
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

Individual Shareholders holding securities in Physical mode has forgotten the password:

If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: https://instavote.linkintime.co.in

- Click on **'Login'** under **'SHARE HOLDER'** tab and further Click **'forgot password?'**
- Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain minimum 8 characters, at least one special character (@!#$&), at least one numeral, at least one alphabet and at least one capital letter.*

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

Other Instructions:

1. A Member can opt for only one mode of voting, i.e. either through Remote e-voting or by e-voting during the AGM. If a Member casts his/her vote using both the modes, then voting done through Remote e-voting shall prevail.
2. Members, whose names appear in the Register of Members/Record of Depositories as on Friday, 15th September, 2023, will be eligible for voting. The voting shall be reckoned in proportion to a Member's share of voting rights on the paid-up share capital of the Company as on the cut-off date. Any recipient of the AGM Notice who is not a member as on the said date should treat this notice for information purpose only.
3. The Board of Directors has appointed Mr. Dinesh Kumar Deora (COP No. 4119) and in his absence Mr. Tribhuwneshwar Kaushik (COP No. 16207), partners of M/s. DM & Associates Company Secretaries LLP, Practicing Company Secretaries, Mumbai, as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
4. The results of the votes cast through e-voting and remote e-voting will be declared in the manner as specified under the applicable rules and regulations.
5. The results declared along with the Scrutinizer's Report will be communicated to the BSE Ltd. and The National Stock Exchange of India Ltd. and will also be placed on the Company's website www.khil.com and on the website of e-voting service provider (https://instavote.linkintime.co.in) immediately after the result is declared by the Chairman of the Company or any other person authorized by him.
6. In case of any query/grievance relating to e-voting, Members may contact LIIPL by forwarding an e-mail at enotices@linkintime.co.in or the Secretarial Department of the Company at cs@khil.com.
7. Members are requested to notify any change in their address immediately, to their respective Depository Participants in respect of their shares held in electronic form quoting Client ID No. and to the RTA of the Company in respect of their physical shares, quoting the Folio No. The members are also requested to submit the proof of changed address for verification purpose.
8. Securities and Exchange Board of India (SEBI) has, vide its circular number SEBI / HO / MIRSD / MIRSD _ RTAMB / P /CIR / 2021 / 655 dated 3rd November, 2021, mandated to all the physical security holders for furnishing their PAN, KYC and Nomination details with Company or RTA. The communication with respect to the said circular has already been forwarded to all such shareholder for updating their PAN, KYC and Nomination details with the Company / RTA. In the event where any one of the aforesaid details is not updated on or before 31st March, 2023, the Company / RTA will freeze the physical folios, effective from 1st April 2023.
9. Payment of dividend will be made through National Electronic Clearing Service (NECS) at the RBI Centers by crediting the dividend amount to the bank account of the Members, wherever relevant information is made available to the Company.

   Members holding shares in physical form and covered under RBI centers, and who have not furnished requisite information and who wish to avail the NECS facility to receive dividend from the Company, may furnish the information to RTA of the Company. Members holding shares in electronic form may furnish the information to their respective Depository Participant(s) in order to receive dividend through NECS mechanism.
10. Members, who hold share under multiple folios in same name(s) or in joint holding, but in same order of names, are requested to consolidate their holdings into single folio.
11. With a view of supporting the 'Go Green initiative', we request Members to register/update their email address with their Depository Participant(s) to enable the Company to send future communications electronically.

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

Place: Mumbai
Date: 30th August, 2023

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

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

KAMAT HOTELS (INDIA) LIMITED

ANNEXURE I TO THE NOTICE

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

ITEM NO. 3:

Mr. Ramnath P. Sarang (DIN: 02544807) was appointed as an Independent Director of the Company and he holds office as an Independent Director of the Company upto 26th May 2024 ("first term"). His term will come to an end next year and to continue his uninterrupted term the approval is sought in advance in this Annual General Meeting from the Members. He is eligible for re-appointment for one more term of five years.

The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation, has recommended re-appointment of Mr. Ramnath P. Sarang as an Independent Director for a second term of 5 (five) consecutive years on the Board of the Company with effect from 27th May 2024.

The Board, based on the performance evaluation and as per the recommendation of the Nomination and Remuneration Committee, considers that, given his background and experience and contributions made by him during his tenure, the continued association of Mr. Ramnath P. Sarang would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director. Accordingly, it is proposed to re-appoint Mr. Ramnath P. Sarang as an Independent Director of the Company, not liable to retire by rotation, for a second term of 5 (five) consecutive years on the Board of the Company.

Mr. Ramnath P. Sarang is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has also received declaration from Mr. Ramnath P. Sarang that he meets the criteria of independence as prescribed both under Section 149(6) 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, Mr. Ramnath P. Sarang fulfils the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations. Mr. Ramnath P. Sarang is independent of the management.

Details of Mr. Ramnath P. Sarang, are provided in the "Annexure I" to the Notice. He shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof within the limits stipulated under Section 197 of the Act.

Copy of draft letter of appointment of Mr. Ramnath P. Sarang setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company. Mr. Ramnath P. Sarang is interested in the resolution set out at Item No. 3 of the Notice with regard to his reappointment. Relatives of Mr. Ramnath P. Sarang may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution. This statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations.

ITEM No. 4:

In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of an Independent Director requires approval of members. The Board of Directors, based on the recommendation of the Nomination and Remuneration Committee has approved the change of designation of Mr. Sanjeev B. Rajgarhia (DIN: 7857384) from Non-executive Director to Non-Executive Independent Director subject to the approval of the shareholders.

The appointment of Mr. Sanjeev B. Rajgarhia, shall be effective October 01, 2023 post approval by the members in the Annual General Meeting. The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. Sanjeev B. Rajgarhia, for the office of Director of the Company. It is further clarified that Mr. Sanjeev B. Rajgarhia is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has received a declaration from Mr. Sanjeev B. Rajgarhia that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and Regulation 16(1)(b) of the ("Listing Regulations"). In the opinion of the Board, Mr. Sanjeev B. Rajgarhia, is a person of integrity and fulfils the conditions for his appointment as an Independent Director as specified in the Act and the Listing Regulations.

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

Mr. Sanjeev B. Rajgarhia, is independent of the management and possesses appropriate skills, experience and knowledge. Details of Mr. Sanjeev B. Rajgarhia is provided in the **Annexure I** 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.

None of the other Directors / Key Managerial Personnel of the Company / their relatives are in any way, concerned or interested, financially or otherwise, in the above resolution.

The Board recommends the passing of Special Resolution set out at Item No. 4 of the Notice for approval by the members.

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

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

Place: Mumbai
Date: 30th August, 2023

ANNEXURE I TO THE NOTICE

Information about the Directors seeking appointment / re-appointment / approval of remuneration etc. as required under clause 1.2.5 of the Secretarial Standard - 2:

Name: **Mr. Ramnath P. Sarang (DIN 2544807)**

Age		69 Years
Qualification Experience (including expertise in specific functional area)	:	Mr. Ramnath P. Sarang is a B.Com Graduate (Hons) with varied and rich professional experience in the hospitality Industry having over 25 years.
Remuneration last drawn (including sitting fees, if any)	:	Remuneration :NIL Sitting fees : Rs. 1,50,000 (For F.Y. 2022-23)
Terms and Conditions of Appointment/Re- Appointment/ approval of remuneration etc.	:	He Shall be bound by Schedule IV of the Companies Act, 2013 during his tenure as Independent Director
Remuneration last drawn	:	NA
Remuneration proposed to be paid	:	NA
Date of first appointment on the Board	:	27-05-2019
Shareholding in Kamat Hotels (India) Ltd as on March 31, 2023	:	NIL
Number of meetings of the Board attended during the financial year (2022-23)	:	6
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

Name: **Mr. Sanjeev B. Rajgarhia (DIN 07857384)**

Age		65 Years
Qualification	:	Mr. Sanjeev Badriprasad Rajgarhia is a B.Com Graduate from Mumbai University he holds a Diploma in Pharmaceutical Business Management, Diploma in Shipping Management and Diploma in Patents Law & Intellectual Property Rights Laws.
Experience (including expertise in specific functional area)	:	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 : Rs. 1,25,000 (For F.Y. 2022-23)
Terms and Conditions of Appointment/Re- Appointment/ approval of remuneration etc.	:	He Shall be bound by Schedule IV of the Companies Act, 2013 during his tenure as Independent Director
Remuneration last drawn	:	NA
Remuneration proposed to be paid	:	NA
Date of first appointment on the Board	:	28th August, 2020 (Non-Executive Non-Independent)
Shareholding in Kamat Hotels (India) Ltd as on March 31, 2023	:	NIL
Number of meetings of the Board attended during the financial year (2022-23)	:	5
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

KAMAT HOTELS (INDIA) LIMITED

BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the 36th Annual Report together with the Audited Financial Statements (Standalone and Consolidated) of the Company for the financial year ended 31st March 2023.

FINANCIAL SUMMARY:

The financial summary for the year under review is as below:

(Rs. in lakhs)

Particulars	Standalone	
	Year ended 31st March, 2023	Year ended 31st March, 2022
Total Income	23,089.12	10,879.27
Less: Interest and Finance Charges (net)	1,921.24	4,752.76
Less: Depreciation and Amortisation	1,008.40	1,003.33
Profit / (Loss) Before Exceptional Item and Tax	6,704.70	(2,970.16)
Add/(Less): Exceptional Item – Income / (expenses) (Net)	19,812.01	-
Profit Before Tax	26,516.71	(2,970.16)
Add: Deferred Tax (credit)	335.99	(735.76)
Other Comprehensive Income	19.21	18.69
Total Comprehensive Income	26,199.93	(2,215.71)
Basic & diluted earnings per share (in Rs.)	110.71	(9.47)

PERFORMANCE REVIEW:

The average occupancy of the hotels of the Company i.e. 'The Orchid, Mumbai', was around 82% and VITS Mumbai was around 85%. The Average Room Rate during the year under review, was at Rs.6,992/- at The Orchid, Mumbai as compared to Rs. 3,903/- in the previous year and at Rs.5,718/- at VITS, Mumbai as compared to Rs. 2,958/- in the previous year.

STANDALONE FINANCIAL PERFORMANCE:

The total revenue from operations of the Company for the year was recorded at Rs. 22,359.54/- lakhs (of which the turnover of Rs. 12,152.69/- lakhs pertains to The Orchid, Mumbai, Rs. 2,048.32/- lakhs pertains to VITS Mumbai and Rs. 8,158.53/- lakhs pertains to other units) as against Rs. 10,818.68/- lakhs in the previous year, an increase of around 106.67% over the last year. The Company's profit after tax is Rs. 26,180.72/- lakhs as compared to Loss of Rs. 2,234.40/- lakhs of previous year (excluding other comprehensive income).

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 the Business Contract Agreement for operations of Mahodadhi Palace Puri continued.

The Company made significant strides by entering into Lease agreements and MOU for the Management and Operations of Hotels situated at four prominent locations - Bhavnagar, Dehradun, Jamnagar and Aurangabad. These strategic arrangements allowed Company to expand its portfolio in the hospitality industry and tap into the potential of these diverse markets. The lease agreements granted the Company the right to use and operate the hotels enabling to a broader customer base.

DIVIDEND:

In order to prioritize debt reduction and fortify the Company's financial stability your Directors do not recommend any Dividend for the F.Y. 2022-23.

TRANSFER TO RESERVES:

The Company has not transferred any amount to the General Reserve for the financial year ended 31st March 2023.

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.

ANNUAL RETURN:

As provided under Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, the annual return in Form MGT-7 is available on the website of the Company at https://www.khil.com/annual-reports/annual-reports.html

SHARE CAPITAL:

As on 31st March 2023, the Authorised Share Capital of the Company stood at Rs. 3,425 lakhs (excluding forfeited share capital) divided into 3,42,50,000 equity shares of Rs. 10/- each.

During the year under review, pursuant to special resolution passed by the Members at their Extra Ordinary General Meeting held on 06th January 2023, the Executive Committee of the Board on 23rd February 2023 issued and allotted 58,96,014 convertible warrants ("warrants") each convertible into, or exchangeable for, 1 (one) fully paid-up equity share of the Company having face value of Rs.10/- (Rupees Ten Only) each at a price of Rs. 97 (Rupees Ninety-Seven) each payable in cash ("Warrant Issue Price"), aggregating to Rs. 57,19,13,358 (Rupees Fifty-Seven Crore Nineteen Lakhs Thirteen Thousand Three Hundred and Fifty-Eight Only) ("Total Issue Size") on preferential basis to persons / entity listed below:

Sr. No.	Names of the allottees	Nos. of Warrants Allotted
A.	**Promoter and Promoter Group**	
	Dr. Vithal V. Kamat	5,89,602
	Mr. Vishal V. Kamat	5,89,601
	Mrs. Vidhya V. Kamat	5,89,601
	Plaza Hotels Private Limited	11,79,203
B.	**Others (Non – Promoter)**	
	Purple Clover Tree LLP	9,82,669
	Alpha Alternatives Holdings Private Limited	9,82,669
	Alpha Alternatives Structured Credit Opportunities Fund	9,82,669
	Total	**58,96,014**

The above warrants were issued upon receipt of Rs. 24.25 (Rupees Twenty-Four and Twenty-Five Paise Only) for each Warrant, which is equivalent to 25% (twenty-five per cent) of the Warrant Issue Price entitling the Warrant Holder(s) to apply for and get allotted one Equity Share of the Company against every Warrant held, in one or more tranches within a maximum period of 18 (eighteen) months from the date of allotment of Warrants, on payment of balance Rs. 72.75 (Rupees Seventy-Two and Seventy-Five Paise only) which is equivalent to remaining 75% (Seventy-five per cent) of the Warrant Issue Price.

Out of the above certain promoter / promoter group exercised the option of conversion of warrants into Equity Shares upon the payment of balance 75% of the warrant issue price i.e. Rs. 72.75 and accordingly, the Executive Committee of the Board on 10th March 2023 considered and approved the conversion and allotment of 10,68,805 warrants into 10,68,805 Equity Share having face value of Rs. 10/- each aggregating to Rs. 10,36,74,085/- (Rupees Ten Crores Thirty-Six Lakhs Seventy-Four Thousand and Eighty-Five) to the persons/ entities belonging to promoter / promoter group mentioned in the below table:

Names of Allottee(s)	Nos. of Warrants Allotted	Nos. of Warrants held before conversion	Nos. of Warrants applied for conversion	Warrant exercise price received @ Rs. 72.75 per Warrant	No. of equity shares allotted, upon conversion/ exchange of Warrants
Promoters/Promoter Group:					
Dr. Vithal V. Kamat	5,89,602	5,89,602	5,89,602	4,28,93,545.50/-	5,89,602
Plaza Hotels Private Limited	11,79,203	11,79,203	4,79,203	3,48,62,018.25/-	4,79,203

Consequently, the issued and paid-up capital of the Company stands increased to Rs 24,65,28,630/- consisting of 2,46,52,863 equity shares of Rs. 10/- each. Further, there was no deviation in the use of the proceeds from the objects stated in the explanatory statement of the Notice dated 14th December 2022.

DEBENTURES

During the year under review, your Company on 25th January 2023 allotted 29,750 "14% Rated Listed Secured Redeemable Non-Convertible Debentures" (NCDs) having face value of Rs. 100,000/- each (Rupees One Lakh) aggregating to Rs. 297.50/- Crores (Rupees Two hundred Ninety-Seven Crores and Fifty Lakhs) through Private Placement. The said NCDs are listed on debt segment of National Stock Exchange of India Limited w.e.f. 27th January 2023. These NCDs were issued so as to repay the existing indebtedness of the Company and its Subsidiaries. The Maturity date of the NCDs is 24th January 2027. There was no deviation in the use of the proceeds from the objects stated in the Placement Information Memorandum.

CREDIT RATING:

During the year under review, your Company obtained credit rating for its aforesaid debentures from Acuite Ratings and Research Limited (rating agency). The rating agency assigned “ACUITE C” to the NCDs vide their letter dated 24th January 2023.

RECLASSIFICATION OF CERTAIN PROMOTER / PROMOTER GROUP TO PUBLIC CATEGORY:

During the under review, pursuant to regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to approval received from Members by passing ordinary resolution through postal ballot approval dated 03rd February 2023 and pursuant to approval received from National Stock Exchange of India Limited and BSE Limited vide their letter dated June 26, 2023 respectively, Mr. Vikram V. Kamat and M/S. Kamats Holiday Resorts (Silvasa) Limited were reclassified from Promoter / Promoter group category to Public.

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 VENTURE COMPANIES 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 statements 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 with the Consolidated Financial Statement of the Company, hence not repeated for the sake of brevity. As on 31st March 2023, the Company has the following Subsidiaries and Joint Venture Companies:

SUBSIDIARY COMPANIES:

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

JOINT VENTURE COMPANY:

1. 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.

DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

As on the date of this report, the Company has 12 (Twelve) Directors out of which 2(Two) are Executive Directors, 2 (two) are Non-Executive Directors, 2 (two) are Nominee Directors and 6 (Six) Independent Directors.

a. Directors retiring by rotation:

   In accordance with the provisions of the Act and the Articles of Association of the Company Dr. Vithal V. Kamat (DIN: 00195341) and Mr. Sanjeev B. Rajgharia (DIN: 07857384), Directors of the Company, retire by rotation, at the ensuing Annual General Meeting, and being eligible, offer themselves for re-appointment.

b. 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.

   The Independent Directors of the Company have confirmed that they have registered their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules,2014 (as amended). The Independent Directors of the Company possess the requisite experience and they have successfully qualified the online proficiency self-assessment test conducted by The Indian Institute of Corporate Affairs (IICA) for Independent Directors Data Bank except Mr. Tej Mayur Contractor, Mr. Apurva S. Muthalia and Mr. Ajit Naik.

Mr. Ramnath P. Sarang was appointed as Independent Director at the Annual General Meeting held on 19th September 2019 for a period of Five years commencing from 27th May 2019 to 26th May 2024. The term of Mr. Sarang is coming to an end on 26th May 2024. The Board of Directors at their meeting held on 11th August, 2023 has reappointed him for second term for a further period of five years on recommendation of Nomination and Remuneration committee and on 11th August, 2023 Mr. Sanjeev B. Rajgarhia appointed as Independent Director w.e.f 1st October, 2023.

The Board of Directors based on the performance evaluation of Independent Directors and as per the recommendation of the Nomination and Remuneration Committee considers that, given the background, experience and contribution made by Mr. Sarang during his tenure, his continued association would be beneficial to the Company and it is desirable to continue to avail his services as Independent Director for second term. Accordingly, it is proposed to re-appoint him as Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company.

His reappointment for a further period of Five years commencing from 27th May 2024 is subject to approval of shareholders at the ensuing Annual General Meeting. Accordingly, a resolution proposing his re-appointment forms part of the notice of the ensuing Annual General Meeting.

All the relevant details with regard to his re-appointment as Independent Director forms part of explanatory statement to the notice.

c. Woman Director:

In terms of the provisions of Section 149(1) 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.

d. Non-Executive Directors:

Your Company has an optimum combination of Executive and Non- Executive Directors on Board. As stipulated under Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, half of the Board Comprises of Independent Directors. (Mr. Sanjeev B. Rajgarhia and Ms. Vidita V. Kamat are the Non-Executive Directors, Mr. Kaushal Kamal Kishore Biyani and Mr. Hrishikesh B. Parandekar, are lenders Nominee Directors and other six directors are Independent Directors of the Company.

e. Key Management Personnel (KMP):

During the year under review, Mr. Hemal Sagalia resigned from the post of Company Secretary and Compliance Officer of the Company with effect from 10th March, 2023 of the Company. The Compliances and filings related to the resignation of Company Secretary were fulfilled in accordance with the provisions of the Companies Act, 2013.

As on the date of this report Dr. Vithal V. Kamat, Executive Chairman and Managing Director and Ms. Smita Nanda, Chief Financial Officer 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.

f. Appointments:

The Board of Directors at its meeting held on 27th May 2023 appointed the following directors:

Sr. No.	Name	Designation
1.	Mr. Vishal Kamat	Executive Director
2.	Mr. Ajit Naik	Independent Director
3.	Mr. Apurva Muthalia	Independent Director
4.	Mr. Tej Mayur Contractor	Independent Director
5.	Mr. Kaushal Kamalkishore Biyani	Lenders Nominee Director
6.	Mr. Hrishikesh Bhalchandra Parandekar	Lenders Nominee Director

The regularization of the Executive director and Independent Directors was approved by the Members by postal ballot dated 27th July 2023

NUMBER OF MEETINGS OF THE BOARD:

During the year under review, 6(Six) 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.

AUDIT COMMITTEE:

The composition of the Audit Committee as required to be disclosed under Section 177(8) of the Companies Act, 2013 including the terms of reference and the details of the Meetings along with the attendance of the Committee Members thereof is furnished in the 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.

NOMINATION AND REMUNERATION COMMITTEE:

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 the 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.

The composition of the Committee including the terms of reference and the details of the Meetings along with the attendance of the Committee Members thereof is furnished in the Corporate Governance report which forms part of this Annual Report.

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 year under review are set out in ***"Annexure A"*** 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.

The details of the Committee including the terms of reference, composition and attendance of the Members thereof is furnished in the Corporate Governance report which forms part of this annual report.

MEETING OF INDEPENDENT DIRECTORS:

The Meeting of Independent Directors was conducted to enable the Independent Directors to discuss matters pertaining to inter alia review of the 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 the independent Directors for the financial year under review was held on 28th March 2023.

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

DIRECTORS' RESPONSIBILITY STATEMENT:

Your Directors state that:

1. In the preparation of the annual accounts for the year ended 31st March 2023, 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 2023 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.

SECRETARIAL STANDARDS:

Your Directors confirm that the Company is in compliance with applicable secretarial standards issued by Institute of Company Secretaries of India.

STATUTORY AUDITORS:

M/s. N. A. Shah Associates LLP, Chartered Accountants, Mumbai were re-appointed as Statutory Auditors of your Company at the Annual General Meeting held on 28th September, 2022 for a term of five years.

Further, there is no qualification, adverse remark or observation in their audit report.

No instance of fraud was reported by the Auditors during the year.

The Company has received Eligibility certificate letter from M/s. N. A. Shah Associates LLP, Chartered Accountants, Mumbai, to the effect that their appointment, is within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for appointment.

SECRETARIAL AUDIT:

In terms of the provisions 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. DM & Associates Company Secretaries LLP, Practicing Company Secretaries, to conduct the Secretarial Audit for the financial year ended 31st March 2023. The Secretarial Audit Report for the Financial Year ended 31st March 2023 issued by M/s. DM & Associates Company Secretaries LLP, Practicing Company Secretaries is annexed herewith marked as "***Annexure B"*** to this Annual Report. The observation / adverse remark contained in the Audit report is self-explanatory and no further management's clarification is required.

COST AUDIT:

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

EMPLOYEE REMUNERATION: [DETAILS AS PER SECTION 197(12) READ WITH RULE 5 OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) 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 C***" 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.

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 as annexed at ***"Annexure D".***

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 at ***"Annexure E"***. The requisite Certificate from M/s. DM & Associates Company Secretaries LLP, Practicing Company Secretaries confirming compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance.

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 persons who use Vigil Mechanism and also makes provision for direct access to the Chairman of the Audit Committee.

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.

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.

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.

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:

(Rs. In lakhs)

Particulars	Opening Balances	Movement during the year	Closing Balance
Loans Given	-	21,704.00	21,704.00
Guarantee Given/ Security Provided	22,523.50	(22,523.50)	NIL
Investment Made	28.33	5,001.19	5,029.53*

*Movement in the year represents Fair value adjustment and reversal of impairment of investments in subsidiary

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.

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 its own performance, its Committees, and that of its Individual Directors.

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 BENEFIT OF 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.

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

Conservation of Energy:

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. 843.75 lakhs (Previous Year Rs. 337.27 Lakhs) Utilization (including import of capital goods): Rs. 527.03 lakhs (Previous Year Rs. 261.43 Lakhs)

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING 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 THE SEBI (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 500 equity shares

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

DISCLOSURE UNDER 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 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.

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
KAMAT HOTELS (INDIA) LIMITED

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

Place : Mumbai
Date : 30th August, 2023

ANNEXURE "A" 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 Directors of the Company held on 27th May, 2023 the CSR Committee was reconstituted. At present the following is the composition of CSR Committee:

Mr. Ajit Naik	Chairman
Mr. Tej Mayur Contractor	Member
Mr. Vilas R Koranne	Member
Ms. Vidita V. Kamat	Member
Mrs. Harinder Pal Kaur	Member

2. Average net loss for the last three financial years: Rs. 17.31 Crores

3 Details of CSR spent during the financial year: NIL

   Amount required to be spent for FY 2022-23: NIL

   Amount unspent, if any: NIL

   During year under review Company has incurred losses, so the Company is not required to spend for CSR. However, The Company has earned profit in the year ended 31st March, 2023.

ANNEXURE "B" TO THE BOARD'S REPORT

Form No. MR-3

Secretarial Audit Report

[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]

For the Financial Year Ended March 31, 2023

To,
The Members,
KAMAT HOTELS (INDIA) LTD
70-C NEHRU ROAD
NEAR SANTACRUZ AIRPORT
VILE PARLE (E)
MUMBAI MH 400099 IN

Dear Members,

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KAMAT HOTELS (INDIA) LTD** (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 authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended March 31, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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 March 31, 2023 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and bye-laws framed there under;
4. The provisions of 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: **NA**;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    b. The SEBI (Prohibition of Insider Trading) Regulations,2015;
    c. The Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2018;
    d. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and
    e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
6. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act,1992 ('SEBI') **were not applicable** to the Company under the financial year under report:
    a. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
    b. 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;
    c. The Securities Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and
    d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021.

We report that we have relied on the compliance certificates issued by its officers and taken on record by the Board of Directors at their meeting(s) for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. For Income tax laws and compliance with applicable accounting standards we have relied on the Audit report issued by the Statutory Auditors. The following are the major head / group of Acts, Laws and Regulations as applicable to the Company:

a. Food Safety and Standards Act, 2006;

b. Food Safety and Standards Rules, 2011;

c. Food Safety and Standards (Packing & Labelling) Regulations, 2011;

d. The Legal Metrology Act, 2009;

e. Bombay Police Act, 1951;

f. Bombay Prohibition Act, 1949;

g. Bombay Entertainments Duty Act, 1923

h. Copyright Act, 1957;

i. Place of Amusement and Controlling Act, 1960;

j. Maharashtra Prevention of Food Adulteration Rules, 1962;

k. Water Act, 1974;

l. Air Act, 1981;

m. Prevention & Control of Pollution Act, 1974.

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 Agreement entered into by the Company with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE);

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above except for the following observation(s):

1. *We were informed that the Company allotted Listed Non-Convertible Debentures on January 25, 2023 and subsequently were listed on NSE on January 27, 2023 and as a result of this listing, regulations 52(4) and 54(2)/(3) became applicable to the Company from the quarter ending on March 31, 2023 and onwards. However, NSE levied fine for December 31, 2022 quarter (which was duly paid) as per the details furnished in the below table for non-submission of required disclosure(s).*

Sr. No.	Date of Notice	Name of the Stock Exchange	Regulation	Quarter	Penalty levied (Rs.)
1.	16/03/2023	National Stock Exchange of India Limited	52 (4)	December 31, 2022	35,400
2.	16/03/2023	National Stock Exchange of India Limited	54(2) / (3)	December 31, 2022	35,400

2. *We were informed that due to migration from V2 to V3 portal of MCA21, the said migration process led to teething problems causing temporary disruptions in the portal's functionality which prevented the Company from filing the return on allotment on January 25, 2023 itself, for its debentures, in e-form PAS-3 as prescribed under section 42 of the Act.*

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 the 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.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and for meeting convened under shorter notice, if any, were in compliance with section 173(3) of the Companies Act, 2013a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for 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.

We further report that during the audit period, following specific events took place:

1. **The Members at their Extra Ordinary General Meeting held on January 06, 2023, by passing special resolution approved the following and pursuant to the approval, the following activities were carried out:**

   a. **Preferential Issue of Convertible Warrants / Conversion of warrants into Equity:**

   The Executive Committee of the Board on February 23, 2023 issued and allotted 58,96,014 convertible warrants each convertible into, or exchangeable for, 1 (one) fully paid-up equity share of the Company having face value of Rs.10/- (Rupees Ten Only) each at a price of Rs. 97 (Rupees Ninety-Seven) each payable in cash, aggregating to Rs. 57,19,13,358 (Rupees Fifty-Seven Crore Nineteen Lakhs Thirteen Thousand Three Hundred and Fifty Eight Only) on preferential basis to persons / entity listed below:

Sr. No.	Names of the allottees	Warrants Allotted
A.	**Promoter and Promoter Group**	
1.	Dr. Vithal V. Kamat	5,89,602
2.	Mr. Vishal V. Kamat	5,89,601
3.	Mrs. Vidhya Kamat	5,89,601
4.	Plaza Hotels Private Limited	11,79,203
B.	**Others (Non – Promoter)**	
1.	Purple Clover Tree LLP	9,82,669
2.	Alpha Alternatives Holdings Private Limited	9,82,669
3.	Alpha Alternatives Structured Credit Opportunities Fund	9,82,669
Total		**58,96,014**

From the above allottees Dr. Vithal Kamat and M/S. Plaza Hotels Private Limited exercised the conversion option of 5,89,602 and 4,79,203 warrants into Equity Shares respectively and on March 10, 2023 the Executive Committee allotted 10,68,805 equity shares for which the following approvals were duly sought:

i. Listing approval on June 02, 2023 and June 12, 2023 from NSE and BSE respectively

ii. Trading approval on June 30, 2023 from both the Exchange(s).

b. **Private Placement:**

The Executive Committee of the Board on January 25, 2023 through Electronic Bidding Portal of National Stock Exchange of India Limited (NSE) allotted 29,750 "14% Rated Listed Secured Redeemable Non-Convertible Debentures" (NCDs) having face value of Rs. 100,000 lakh each (Rupees One Lakh) aggregating to Rs. 29,750 Crore (Rupees Two hundred Ninety-Seven Crores and Fifty Lakhs) through Private Placement and the same were listed on the debt segment of NSE w.e.f. January 27, 2023.

c. **Increase in Borrowing Limits u/s 180 (1) (c) of the Act:**

The Company enhanced its existing limit from Rs. 1,000 crores to Rs. 1,200 crores.

2. **Reclassification under regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:**

Pursuant to resolution passed by the Members through postal ballot dated February 03, 2023 the Company had made an application to Exchanges(s) for reclassification of Mr. Vikram Kamat and from M/S. Kamat Holiday Resorts (Silvasa) Limited from Promoter / Promoter group category to Public. Accordingly, the same was approved by both the Exchange(s) on June 26, 2023.

For DM & Associates Company Secretaries LLP
Company Secretaries
ICSI Unique Code L2017MH003500

Dinesh Kumar Deora
Partner
FCS NO: 5683
CP NO: 4119
UDIN: F005683E000793131

Place: Mumbai
Date: August 12, 2023

Note: This report is to be read with our letter of even date that is annexed as Annexure - I and forms an integral part of this report.

ANNEXURE - I

To
The Members,
KAMAT HOTELS (INDIA) LTD
70-C NEHRU ROAD
NEAR SANTACRUZ AIRPORT
VILE PARLE (EAST)
MUMBAI MH 400099 IN

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

1. Maintenance of secretarial records is the responsibility of management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules and regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures 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 DM & Associates Company Secretaries LLP
Company Secretaries
ICSI Unique Code L2017MH00350

Dinesh Kumar Deora
Partner
FCS NO: 5683
CP NO: 4119
UDIN: F005683E000793131

Place: Mumbai
Date: August 12, 2023

ANNEXURE "C" 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 31 MARCH 2023.

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 2022-23 is as under:

Sr. No.	Name of KMP	Designation	% increase remuneration during FY 2022-23
1	Dr. Vithal V. Kamat	Executive Chairman and Managing Director	NIL
2	Ms. Smita Nanda	Chief Financial officer	12.64%
3	Mr. Hemal Sagalia	Company Secretary*	5%

*Resigned on 10th March, 2023

Notes:

i. 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 869 permanent employees on the rolls of the Company during FY 2023. The median remuneration of employees of the Company during FY 2023 was Rs. 2,64,408/- The median remuneration of employees during FY 2023 has increased by 36.31% 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 2023 was 10.50%.

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

ANNEXURE 'D' TO THE BOARD'S REPORT

Management Discussion and Analysis

Prologue:

As the world gradually emerges from the shadows of COVID-19 the hotel industry witnesses glimmers of hope amid persistent challenges. During the year under review, due to ease in travel restrictions, increased consumer confidence and a resurgence in leisure and business travel, FY 2022-23 witnessed an economic recovery. The hotel industry experienced a gradual rebound, though challenges persisted due to ongoing pandemic-related uncertainties and competitive pressures.

The Global Economy

International tourism receipts in 2022 experienced a significant rebound, touching to a total of USD 1 trillion. This surge demonstrates 50% increase as compared to 2021. The revival in international travel played a crucial role in driving this positive trend.

Despite the recovery, international visitor spending in 2022 was still below pre-pandemic levels, standing at 64% when compared to 2019, there was a decline of 36% in real terms.

While analysing the regions, Europe emerged as the frontrunner, achieving impressive results with USD 550 billion in tourism receipts, equivalent to 87% of its pre-pandemic levels. Africa showed a notable recovery as well, reaching 75% of its pre-pandemic receipts, while the Middle East and the Americas followed closely at 70% and 68% respectively.

On the other hand, Asian destinations faced more significant challenges due to prolonged border shutdowns, resulting in only earning about 28% of their pre-pandemic receipts in 2022.

Notably, outbound tourism also saw a strong resurgence in international spending from major source markets in 2022. Countries like Saudi Arabia, Germany, and France managed to recover their pre-pandemic spending levels, with growth rates of 6%, 2%, and 0% respectively. Moreover, Portugal and Austria excelled, recording increases of 8% and 6% in their spending compared to pre-pandemic levels. However, the United States experienced a decrease of 13% in international spending, while Italy, Netherlands, Sweden, and Belgium came close to their 2019 levels, with decreases of -8%, -8%, -8%, and -7% respectively.

Overall, the global tourism industry showed signs of recovery in 2022, though some regions and source markets experienced a more substantial rebound than others, reflecting the ongoing challenges and impacts of the pandemic on international travel. (Data Source - May 2023 Barometer of UNWTO)

The globalization of India has given rise to new opportunities but it has also brought with it new challenges and responsibilities. It means that the global economy can no longer be viewed from a spectator's standpoint. What happens there has large implications for India. Every time there is a major financial crisis anywhere in the world, there is need to take brace position. And, in turn, the rise and fall of India's growth rate has an impact on global growth and there is need for India to take this responsibility seriously. This chapter, a new addition to the Economic Survey, is a recognition of this fact. It examines the state of the global economy and India's position therein. It analyses the current global slowdown and eurozone crisis, what this means for India and the policy challenges that these international matters give rise to on domestic soil.

Indian Economy

One of the important key drivers of India's economic growth is the tourism industry, which encompasses both domestic and inbound tourism. Year 2022, India witnessed an impressive surge in Foreign Tourist Arrivals (FTAs), reaching 6.19 million (Provisional), which marked a remarkable growth of 305.4% compared to the same period in the previous year. This surge in FTAs contributed significantly to Foreign Exchange Earnings (FEEs) amounting to Rs. 1,35,543 crores (Provisional estimates), with a notable growth rate of 106.77%.

These impressive figures highlight the substantial impact of the tourism sector on India's economy. Tourism has not only contributed in foreign exchange earnings but has also generated employment opportunities which has augmented local economies. As both domestic and inbound tourism continue to grow, the tourism industry will continue to contribute towards the overall prosperity of India's economy. (Data Source – Ministry of Tourism, Government of India)

Travel & Tourism:

The international travel made a remarkable recovery, with arrivals reaching 80% of pre-pandemic levels, representing a 20% increase compared to the same quarter in 2019. This impressive recovery was predominantly driven by strong performance in Europe and the Middle East, where tourist destinations attracted eager travellers seeking to embrace new experiences and to explore new horizons. This significant improvement signals a positive shift in the industry's recovery in future. A remarkable surge in international arrivals was also seen during the initial months of 2023 which indicates a significant improvement over the previous year's recovery level, that stood at 66% for the entirety of 2022. An estimated 235 million tourists travelled internationally in the first three months, more than double the same period of 2022. Tourism has continued to show its resilience. Revised data for 2022 further emphasized the tourism sector's recovery, with over 960 million tourists traveling internationally last year. This remarkable figure translates to a noteworthy achievement of recovering two-thirds (66%) of pre-pandemic travel numbers. As borders opened, vaccination efforts progressed, and health protocols were fine-tuned, travellers regained confidence, rejuvenating the global tourism landscape. However, while the recovery is encouraging, stakeholders in the tourism and hospitality sectors remain vigilant, aware that uncertainties and potential fluctuations in global health conditions could continue to impact the industry's trajectory in the months ahead.

The latest UNWTO Confidence Index portrays a positive image for the tourism industry, particularly during the period of May to August 2023. The index scored 139 on a scale of 0 to 200, indicating optimistic expectations among industry experts.

Nearly 70% of these experts shared their outlook for the four-month duration, which coincides with the Northern Hemisphere summer season. Among them, 50% expressed a better outlook, while an even more enthusiastic 19% indicated much better prospects for this period.

This bullish sentiment suggests that the tourism sector is expected to experience significant improvement and growth during the specified months. It signals a hopeful recovery for the industry after the challenges posed by the COVID-19 pandemic and other factors that may have impacted global travel in previous years.

The positive UNWTO Confidence Index is likely to encourage travel-related businesses, governments, and tourists alike to have increased confidence in planning and participating in travel activities during the specified period. However, as with any projections, these outlooks are subject to change based on various factors, including the global health situation, economic developments, and geopolitical events. Nonetheless, the index indicates a positive trend and provides a reason for optimism in the tourism industry during May to August 2023. (Data Source - May 2023 Barometer of UNWTO).

Challenges that remain ahead:

Although the World Health Organization (WHO) declared on 5 May 2023 that COVID-19 is no longer considered a public health emergency of international concern, health risks are still relevant concerns for travellers and the tourism sector.

Geopolitical tensions, particularly arising from the Russian aggression against Ukraine and other mounting global uncertainties, are also potential risks that may affect international travel. These situations can create uncertainty and impact travel decisions for both tourists and the tourism industry.

The International Monetary Fund's latest World Economic Outlook (April 2023) indicates a potential decline in global growth from 3.4% in 2022 to 2.8% in 2023. The report cites financial sector turmoil, high inflation, and the lasting impacts of the COVID-19 pandemic as key contributing factors to the economic slowdown. (Data Source - May 2023 Barometer of UNWTO)

Outlook:

The domestic hospitality industry is looking to 'fly' in 2023 cashing in on India's G20 presidency, having received the 'oxygen' to run in 2022 after being crippled in the past two years by the pandemic.

Domestic travel, especially the leisure segment, gave wind to the industry this year and is expected to continue into the next. Industry players believe that as international arrivals are also likely to pick up even further, the outlook for 2023 is buoyant.

Financial and Operating Performance

The total revenue from operations of the Company for the year was recorded at Rs. 22,359.54/- lakhs (of which the turnover of Rs. 12,152.69/- lakhs pertains to The Orchid, Mumbai, Rs. 2048.32/- lakhs pertains to VITS Mumbai and Rs. 8158.53/- lakhs pertains to other units) as against Rs. 10,818.68/- lakhs in the previous year, an increase of around 106.67% over the last year. The Company's profit after tax is Rs. 26,180.71/- lakhs as compared to Loss of Rs. 2,234.40/- lakhs of previous year (excluding other comprehensive income). The key financial ratios are given in the financial statements of the Company with reason for variation in the same over the previous year.

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, Mazars India LLP Chartered Accountants, Mumbai, 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 fore view. 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 fulfil 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 believes 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 postings to provide employees opportunities to grow with the organisation. During the year there were 869 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.

ANNEXURE 'E' 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, 2023 on the compliance 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 practices which 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. Vithal V. 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 Companies in other Companies	Membership (including chairmanship) of Companies in other Companies	Last AGM Attended (Yes/No)
Dr. Vithal V. Kamat	Executive Chairman & Managing Director	2	0	0	Yes
Mr. Vishal Vithal Kamat*	Executive Director	2	0	0	NA
Mr. Vilas R. Koranne	Independent Non Executive Director	0	0	0	Yes
Ms. Harinder Pal Kaur	Independent Non Executive Director	0	0	0	Yes
Mr. Ramnath P. Sarang	Independent Non Executive Director	0	0	0	Yes
Mr. Sanjeev B. Rajgarhia	Non Independent Non Executive Director	0	0	0	Yes
Ms. Vidita V. Kamat	Non Independent Non Executive Director	0	0	0	Yes
Mr. Kaushal Kamalkishore Biyani*	Lenders Nominee Director	3	0	0	NA
Mr. Hrishikesh Bhalchandra Parandekar*	Lenders Nominee Director	0	0	0	NA
Mr. Tej Mayur Contractor*	Independent Non Executive Director	0	0	0	NA
Mr. Apurva S. Muthalia*	Independent Non Executive Director	0	0	0	NA
Mr. Ajit Naik*	Independent Non Executive Director	0	0	0	NA

*Appointed on 27th May, 2023

Notes:

1. 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.

2. 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.

3. 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.

4. 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 six 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 Board Meetings 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
19th May 2022	6
12th August 2022	6
12th November 2022	6
14th December 2022	4
03rd January 2023	5
14th February 2023	4

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 shareholders etc.

e. **Board Evaluation**

Performance evaluation of all the Directors, Board as a whole, and of its committees 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 inter relationship between Directors, except Ms. Vidita V. Kamat who is daughter of Dr. Vithal V. Kamat and Mr. Vishal Kamat who is Son of Dr. Vithal V. Kamat.

g. Key Skills expertise and competencies of the Board

Name of Director	Skill/ Expertise/ Competencies						
	Industry knowledge	Accounts and Finance	Corporate Governance	Legal and compliance	Strategic expertise	Marketing	General Management
Dr. Vithal V. Kamat	√	-	√	√	√	√	√
Mr. Vishal Vithal Kamat*	√	√	√	√	√	√	√
Mr. Vilas R. Koranne	√	√	√	-	√	√	√
Ms. Harinder Pal Kaur	√	-	√	-	√	√	√
Mr. Ramnath P. Sarang	√	√	√	√	√	√	√
Mr. Sanjeev B. Rajgarhia	√	√	√	√	√	√	√
Ms. Vidita V. Kamat	√	√	√	-	√	√	√
Mr. Kaushal Kamalkishore Biyani*	√	√	√	√	√	√	√
Mr. Hrishikesh Bhalchandra Parandekar*	√	√	√	√	√	√	√
Mr. Tej Mayur Contractor*	√	√	√	√	√	√	√
Mr. Apurva S. Muthalia*	√	√	√	√	√	√	√
Mr. Ajit Naik*	√	√	√	√	√	√	√

*Appointed on 27th May, 2023

Your Directors hereby confirm that in the opinion of the board, the independent directors fulfill the conditions specified in the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 are independent of the management.

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 is http://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. Ajit Naik, Non-Executive Independent Director.

The Bord of Directors of your Company at its Board Meeting held on 27th May 2023 consequent to induction of new Board Members on Board reconstituted the committee and the present composition of the Audit Committee is as follows:

*Mr. Apurva S. Muthalia: Non- Executive Non-Independent Director – Chairman w.e.f. 27th May 2023

#Mr. Ramnath P. Sarang: Non- Executive Independent Director – Chairman upto 27th May 2023

Mr. Vilas R. Koranne: Non- Executive Independent Director #Ms. Harinder Pal Kaur: Non- Executive Independent Director

Mr. Sanjeev B. Rajgarhia Non- Executive Non Independent Director

*Mr. Tej Mayur Contractor: Non- Executive Non-Independent Director

*Mr. Ajit Naik: Non- Executive Non-Independent Director

*Mr. Kaushal Kamalkishore Biyani: Non- Executive Non-Independent Director

**Appointed w.e.f. 27th May 2023*

 # Ceased to be the Member of the committee w.e.f. 27th May 2023

Out of 6 members 5 members of the Audit Committee are independent directors. 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 19th May 2022, 12th August 2022, 12th November 2022, 14th December 2022, 3rd January 2023 and 14th February 2023.

Attendance of the committee members at its meetings are as follows:

Sr. No	Name of the Member	Category	Meetings attended
1	Mr. Ramnath P. Sarang	Chairman	6
2	Ms. Harinder Pal Kaur	Member	5
3	Mr. Vilas R. Koranne	Member	5
4	Mr. Sanjeev B. Rajgarhia	Member	5

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 and Chief Financial Officer attend the meetings of the Audit Committee upon invitation.

Mr. Ramnath P. Sarang, Chairman of Audit Committee was present at the 35th Annual General Meeting.

Committee is constituted in line with the provisions of Regulation 18 of the SEBI Listing Regulations and Section 177 of the Act. The broad terms of reference are as under:

- Oversight of the financial reporting process.
- Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval.
- Evaluation of the internal financial controls and risk management systems
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- Approve policies in relation to the implementation of the Insider Trading Code and to supervise the implementation of the same
- To consider matters with respect to the Code of Conduct, Anti-bribery and Anti-Corruption Policy and Gifts and Hospitality Policy.

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. Aputva S. Muthalia, Non-Executive Independent Director. The Board of Directors of your Company at its Board Meeting held on 27th May 2023 consequent to induction of new Board Members on Board reconstituted the committee and the present composition of the Nomination and remuneration Committee is as follows:

1. #Mr. Ramnath P. Sarang: Non- Executive Independent Director – Chairman upto 27th May 2023
2. *Mr. Apurva S. Muthalia: Non- Executive Independent Director – Chairman w.e.f. 27th May 2023
3. #Ms. Harinder Pal Kaur: Non- Executive Independent Director – upto 27th May 2023
4. Mr. Sanjeev B. Rajgarhia: Non- Executive Non Independent Director
5. #Mr. Vilas R. Koranne- Non- Executive Non Independent Director – upto 27th May 2023
6. *Tej Mayur Contractor: Non- Executive Non-Independent Director
7. * Mr. Ajit Naik: Non- Executive Non-Independent Director

**Appointed w.e.f. 27th May 2023*

 # ceased to be the Member of the Committee w.e.f. 27th May 2023

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

Attendance of the Committee members at its meetings are as follows

During the year under review meeting of the Nomination and Remuneration Committee was held on 19th May, 2022.

Attendance of the Committee members at its meetings are as follows:

Sr. No.	Name of the Member	Category	Meetings attended
1	Mr. Ramnath P. Sarang	Chairman	1
2	Ms. Harinder Pal Kaur	Member	1
3	Mr. Sanjeev B. Rajgarhia	Member	1
4	Mr. Vilas R. Koranne	Member	1

Committee is constituted in line with the provisions of Regulation 19 of the SEBI Listing Regulations and Section 178 of the Act. The broad terms of reference are as under:

- Recommend to the Board the setup and composition of the Board and its committees.
- Recommend to the Board the appointment/re-appointment of Directors and Key Managerial Personnel.
- Support the Board and Independent Directors in evaluation of the performance of the Board, its Committees and individual Directors
- Recommend to the Board the Remuneration Policy for Directors, executive team or Key Managerial Personnel as well as the rest of employees
- Oversee familiarisation programmes for Directors.

c) STAKEHOLDERS RELATIONSHIP COMMITTEE

The Company has through its Board of Directors, constituted a Stakeholders Relationship Committee comprising of four Directors. The Bord of Directors of your Company at its Board Meeting held on 27th May 2023 consequent to induction of new Board Members on Board reconstituted the committee and the present composition of the Stakeholders Relationship Committee is as follows:

The present Chairman of the Committee is Mr. Ajit Naik, Non- Executive Independent Director.

The Members of Stakeholders Relationship Committee comprises:

a) *Mr. Ajit Naik – Non-Executive Independent Director -Chairman w.e.f. 27th May 2023

b) Mr. Vilas R. Koranne - Non-Executive Independent Director

b) Mr. Sanjeev B. Rajgarhia, Non- Executive Non Independent Director

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

**Appointed w.e.f. 27th May 2023*

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, 2023. No request for transfer and dematerialization were pending for approval as on 31st March, 2023.

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 was held on 19th May, 2022.

Attendance of the committee members at its meetings are as follows:

Sr. No.	Name of the Member	Category	Meetings attended
1	Mr. Vilas R. Koranne	Chairman	1
2	Mr. Ramnath P. Sarang	Member	1
3	Mr. Sanjeev B. Rajgarhia	Member	1

Committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations and Section 178 of the Act. The broad terms of reference are as under:

- Consider and resolve the grievance of security holders.
- Consider and approve issue of share certificates, transfer and transmission of securities, etc.

d) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

The composition of Corporate Social Responsibility Committee (CSR) is as per the requirement of the Act. The Board of Directors of your Company at its Board Meeting held on 27th May 2023 consequent to induction of new Board Members on Board reconstituted the committee and the present composition of the Corporate Social Responsibility Committee is as follows:

The present Chairman of the Committee is Mr. Ajit Naik, Non- Executive Independent Director.

The Members of Corporate Social Responsibility (CSR) Committee Comprises:

*Mr. Ajit Naik: Non- Executive Non-Independent Director – Chairman w.e.f. 27th May 2023

*Mr. Tej Mayur Contractor: Non- Executive Non-Independent Director

#Mr. Ramnath P. Sarang: Non- Executive Independent Director – Chairman upto 27th May 2023

Mr. Vilas R. Koranne: Non- Executive Independent Director

Ms. Harinder Pal Kaur: Non- Executive Independent Director

Ms. Vidita V. Kamat: Non- Executive Non Independent Director

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 19th May, 2022 during the financial year 2022-23.

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

Sr. No.	Name of the Member	Category	Meetings attended
1	Mr. Vilas R. Koranne	Chairman	1
2	Mr. Ramnath P. Sarang	Member	1
3	Ms. Harinder Pal Kaur	Member	1
4	Mr. Sanjeev B. Rajgarhia	Member	1

The Company Secretary acts as secretary of the CSR Committee

Committee is constituted in line with the provisions of Section 135 of the Act and is in accordance with Companies (Corporate Social Responsibility Policy) Amendment Rules 2021.

The broad terms of reference are as under:

- Formulate and recommend to the Board, the Corporate Social Responsibility and monitor from time to time.
- Formulate and recommend to the Board, an Annual Action Plan for the Company and have an oversight on its implementation.
- To recommend the amount of expenditure to be incurred on CSR activities.
- Enable Board oversight on sustainability (ESG) related policies, strategies and activities of the Company.
- Advise the management on potential business implications of Sustainability/ ESG performance.

e) MEETING OF INDEPENDENT DIRECTORS

The Company's Independent Directors on 28th March, 2023 met once during the financial year 2022-23 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 2022-23:

No Remuneration paid/to be paid to the Executive Director during the financial year 2022-23. However, the Company by passing resolution through postal ballot dated 27th July 2023 approved yearly payment of remuneration to its Executive Directors.

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

Name of the Director	Amount in Rs.	Number of shares and Non-convertible instruments
Mr. Ramnath P. Sarang	1,50,000	NIL
Ms. Harinder Pal Kaur	1,25,000	11,600
Mr. Vilas R. Koranne	1,25,000	NIL
Mr. Sanjeev B Rajgarhia	1,25,000	NIL
Ms. Vidita V. Kamat	1,00,000	500
Total	6,25,000	

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, 2022 to 31st March, 2023.

6. FEE TO STATUTORY AUDITORS

Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which statutory auditor is a part during the financial year ended 31st March 2023 is given in the financial section.

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

Particulars	FY 2019-20 AGM	FY 2020-21 AGM	FY 2021-22 AGM	FY 2022-23 EGM
Date	28th September, 2020	28th September, 2021	28th September, 2022	6th January, 2023
Location	Through Video Conferencing (VC)	Through Video Conferencing (VC)	Through Video Conferencing (VC)	Utkarsh Mandal Hall Malaviya Road, Utkarsha Mandal Chowk, Vile Parle East, Mumbai - 400057
Time	11.00 a.m.	11.30 a.m.	11.30 a.m.	10.00 a.m.

No Special Resolutions were passed at the Annual General Meeting held on 28th September, 2020.

No Special Resolutions were passed at the Annual General Meeting held on 28th September, 2021.

Special Resolution was passed at the Annual General Meeting held on 28th September, 2022.

Re-appointment of Dr. Vithal V. Kamat as Executive Chairman and Managing Director

The following Special Resolutions were passed at the Extra Ordinary General Meeting held on 6th January, 2023.

i. Issue of convertible warrants to promoters and non promoters.

ii. Increase in the limits u/s 180 (1) (a) of the Companies Act, 2013 for creation of security

iii. Increase in the borrowing limits of the company u/s. 180(1)(c) of the Companies Act, 2013.

iv. Authorizing the issuance of Non-Convertible Debentures/ Bonds/ Instruments.

Postal Ballot

On 3rd February 2023 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.

One Special Resolution was approved through the above mentioned Postal Ballot.

1. Sale of property VITS Hotel, Andheri

   Mr. V.V. Chakradeo, (Membership No. F3382, COP No.: 1705), Company Secretary in Practice was appointed as the Scrutinizer for carrying out the Postal Ballot process through remote e-voting in a fair and transparent manner. The Scrutinizer, after the completion of scrutiny, submitted his report to Dr. Vithal V. Kamat, Executive Chairman and Managing Director and to declare the voting results in accordance with the provisions of the Act, the Rules framed thereunder and the Secretarial Standard - 2 issued by the Institute of Company Secretaries of India. The consolidated results of the voting by Postal Ballot and e-voting were announced on February 05, 2023. The results were also displayed on the website of the Company at www.khil.com and on the website of Link Intime India Private Limited and communicated to BSE Limited (BSE), National Stock Exchange of India Limited (NSE).

SUBSIDIARY COMPANIES:

Mr. Vilas R. Koranne 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 29th June, 2021.

Mr. Vilas R. Koranne, 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.

1. Financial statements, in particular investments made by subsidiary companies, are reviewed quarterly by the Company's Audit Committee.
2. Minutes of Board meetings of subsidiary companies are placed before the Company's Board regularly.
3. 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

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 F".*** Related Party Transactions:

During the year under review, the Company had not entered new related party transactions. The Company had formulated a policy for Related Party Transactions and the same is disclosed on the website of the Company at http://www.khil.com/investors/policies.html

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 enables the Directors, employees and all stakeholders of the Company to report genuine concerns and adequate safeguards against victimization of persons who use Vigil Mechanism and make provision for direct access to the Chairman of the Audit Committee.

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

The details 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 and Audit 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 Regulation 76 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018,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 Register of 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. 1st April, 2019)

Weblinks:

web link where policy for determining 'material' subsidiaries is disclosed at https://www.khil.com/investors/policies.html;

web link where policy on dealing with related party transactions is disclosed at https://www.khil.com/investors/policies.html;

Secured Redeemable Non-Convertible Debentures (NCDs) During the year under review, following Secured Redeemable Non-Convertible Debentures (NCDs) of face value ` 1,00,000/- each have been listed on debt segment of National Stock Exchange Limited

During the year under review the following NCDs were issued

ISIN	Face Value	Total No of Debenture	Listing Date	Maturity Date	Credit Rating	Coupon Rate
INE967C07015	100000	29750	27-Jan-2023	24-Jan-2027	C	14

DISCLOSURE OF COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND REGULATION 46(2) OF THE LISTING REGULATIONS

The Company has complied with all the mandatory corporate governance requirements under the Listing Regulations. The Company confirms compliance with corporate governance requirements specified in Regulation 17 to 27 and sub-regulation (2) of Regulation 46 of the Listing Regulations.

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 are simultaneously 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. Financial Year – 1st April 2022- 31st March 2023

c. Annual General Meeting Date: Saturday, 23rd September, 2023 at 11.30 a.m. (OAVM) through "Video Conferencing (VC) or other Audio Visual Means.

d. Tentative Financial Calendar

Audited Annual Accounts for the year 2022-23	27th May, 2023
Unaudited First quarter Results (30th June, 2023)	11th August, 2023
Annual General Meeting	23rd September, 2023
Unaudited 2nd Quarter Results (30th September, 2023)	Second week of November, 2023
Unaudited 3rd Quarter Results (31st December, 2023)	Second week of February, 2024
For the year ended 31st March, 2024	before 30th May, 2024

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

d. Dates of book closure: Saturday, 16th September, 2023 to 23rd September, 2023 (both days inclusive)

e. Dividend payment date for Dividend 2022-23: -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 Phiroze Jeejeebhoy 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. Listing of Secured Rated Listed Redeemable Non Convertible Debentures National Stock Exchange of India Limited: KHIL27 and ISIN : INE967C07015 at Exchange Plaza, C-1, Block G, Bandra –Kurla Complex, Bandra (E), Mumbai – 400 051.

h. Debenture Trustees

Catalyst Trusteeship Limited
Registered office: GDA House, First Floor,
Plot No. 85, S. No. 94 & 95,
Bhusari Colony (Right), Kothrud Pune- 411038

+91 020 25280081

Credit Rating Agency

Acuité Ratings & Research Limited

708, Lodha Supremus, Lodha iThink Techno Campus,

Kanjurmarg (East), Mumbai – 400042

+91 22 49294000, +91 9969898000

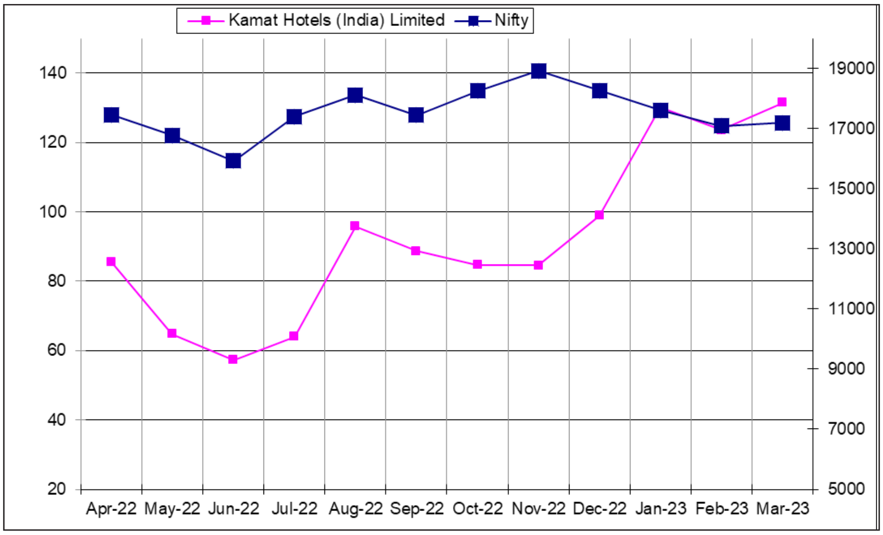
g. The Company has paid listing fee to all the Stock Exchanges for the financial year 2022-23.

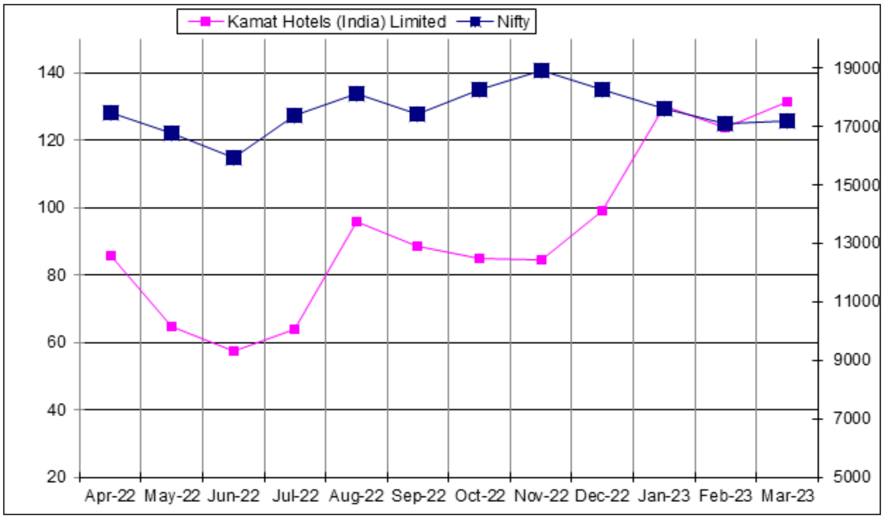
The following 14% 29,750 Secured Rated Listed Redeemable Non Convertible Debentures of the Company are listed on the National Stock Exchange of India Limited:

Sr. No.	Description	face value as on issue date
1	14% 29,750 Secured Rated Listed Redeemable Non Convertible Debentures	Rs. 1,00,000 each

h. Stock Market Price Data

Month	**Bombay Stock Exchange Limited**			**National Stock Exchange of India Limited**		
	High	Low	Monthly volume	High	Low	Monthly volume
April 22	95	68.8	1068788	94.60	68.25	6180932
May 22	87.35	58.9	229035	86.80	52.60	2638280
June 22	67.75	49.8	131297	68.90	50.00	1216755
July 22	66.45	55	92627	65.85	63.10	1228543
August 22	102.7	63.7	806919	103.00	63.95	7147728
Sept 22	111.9	83.15	590718	111.20	83.35	3853923
Oct 22	96.4	84.1	81295	96.40	84.50	403787
Nov 22	93.2	80.45	120951	93.70	80.65	592863
Dec 22	116.35	88.2	572055	116.25	95.95	3045141
Jan 23	137.7	98	485174	135.00	97.70	4625974
Feb 23	134.55	118.3	284814	134.65	118	1871558
March 23	142.95	118.35	191106	143.00	119.85	2078631





h. 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. 8108116767 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 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. Share transfer System:

Trading in equity shares of the Company is permitted only in dematerialized form. In terms of requirements of Regulation 40 of the Listing Regulations w.e.f. 1st April, 2019, transfer of securities in physical form, except in case of request received for transmission or transposition of securities, shall not be processed. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized to be able to freely transfer them and participate in various corporate actions.

p. Distribution of shareholdings as on 31st March, 2023

Shareholding of Nominal Shares			Shareholder	Percentage of Total	Total shares	Percentage of Total.
1	to	5000	14846	90.2328	14490490	5.8778
5001	to	10000	750	4.5584	6150290	2.4948
10001	to	20000	348	2.1151	5351720	2.1708
20001	to	30000	108	0.6564	2801390	1.1363
30001	to	40000	66	0.4011	2299890	0.9329
40001	to	50000	91	0.5531	4366830	1.7713
50001	to	100000	112	0.6807	8572740	3.4774
100001	to	**********	132	0.8023	202495280	82.1386
			16453	100	246528630	100

Category of Shareholders as on 31st March, 2023.

Category	No. of Equity Shares	% of total paid up capital
Promoter and Promoter Group	1,54,30,765*	62.59
Directors and their relatives (other than promoter)	11,600	0.05
Mutual Fund	1,000	0.00
Public:		
Corporate Bodies	9,09,278	3.69
Individual and other	83,00,220	33.67
Total	2,46,52,863	100

*10,68,805 equity shares allotted on 10th March, 2023

q. Dematerialisation of Shares:

As on 31st March, 2023, 2,43,67,752 equity shares (98.84% of total equity capital) were held in dematerialised form. The relative ISIN allotted to the company is INE967C01018.

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

Currently there are 48,27,209 outstanding warrants having face value of Rs. 10/- each and there are no outstanding FCCB/GDRs/ADRs.

s. Location of Hotels / Restaurants:

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

t. list of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad

Acuité Ratings & Research Limited has vide its letter dated January 24, 2023 assigned rating of “Acuite C” to the Debentures

u. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)

The Funds raised through preferential allotment of convertible warrants were used towards repayment of existing debt as stated in the objects of the issue.

v. 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 on behalf of Board of Directors
KAMAT HOTELS (INDIA) LIMITED

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

Place : Mumbai
Date : 30th August, 2023

KAMAT HOTELS (INDIA) LIMITED

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, 2023 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 2022-23.

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

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

Place : Mumbai
Date : 30th August, 2023

CERTIFICATE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS

To,
The Members of
KAMAT HOTELS (INDIA) LTD

We have examined the compliance of conditions of corporate governance by **KAMAT HOTELS (INDIA) LTD** ("**the Company**") for the year ended 31st March, 2023, as specified in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"the Regulations"**).

Management's Responsibility:

The Compliance of the conditions of Corporate Governance is the responsibility of the Management.

Auditors' Responsibility:

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

We conducted our engagement in accordance with the "Guidance Note on Corporate Governance Certificate" issued by the Institute of Company Secretaries of India. Our responsibility is to certify based on the work done.

Conclusion:

In our opinion and to the best of our information and according to the examination of relevant records and the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as specified in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Restrictions on use:

This certificate is issued solely for the purposes of complying with the aforesaid Regulations and may not be suitable for any other purpose.

FOR DM & ASSOCIATES COMPANY SECRETARIES LLP
COMPANY SECRETARIES

DINESH KUMAR DEORA
PARTNER
Membership No.: FCS 5683 COP No 4119
UDIN: F005683E000793305

Place: Mumbai
Date: 12-08-2023

ANNEXURE "F" 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 31st March, 2023.

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 31 March, 2023 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 Directors of the Company".

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

SMITA NANDA
CHIEF FINANCIAL OFFICER

Dr. VITHAL V. KAMAT
(DIN 00195341)
Executive Chairman & Managing Director

Place: Mumbai
Date: 30th August, 2023

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of
KAMAT HOTELS (INDIA) LTD
70-C NEHRU ROAD
NEAR SANTACRUZ AIRPORT
VILE PARLE (E)
MUMBAI MH 400099 IN

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Kamat Hotels (India) Limited having CIN L55101MH1986PLC039307 and having its Registered Office at 70-C NEHRU ROAD, NEAR SANTACRUZ AIRPORT VILE PARLE (E) MUMBAI MH 400099 IN (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Director's Identification Number (DIN) status at the portal *www.mca.gov.in*) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

SR NO	NAME OF DIRECTOR	DIN	DATE OF APPOINTMENT
1	DR. VITHAL VENKETESH KAMAT	00195341	*01/10/2007
2	MRS. PAL KAUR HARINDER	02306410	15/05/2020
3	MR. RAMNATH PURSU SARANG	02544807	27/05/2019
4	MS. VIDITA VITHAL KAMAT	03043066	29/09/2020
5	MR. SANJEEV BADRIPRASAD RAJGARHIA	07857384	28/08/2020
6	MR. VILAS RAMCHANDRA KORANNE	09151665	29/06/2021

*As per MCA records. However, we were informed by the Management that his original date of appointment is 21/03/1986

Ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate 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.

Signature:

Name: Dinesh Kumar Deora- Partner
Firm Name : DM & Associates Company Secretaries LLP
Firm Registration Number: L2017MH003500
Membership No.: FCS 5683
CP No.: 4119
UDIN: F005683E000793140

Place: Mumbai
Date : 12-08-2023

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 standalone balance sheet as at 31st March, 2023, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows for the year ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the 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 Indian Accounting Standards prescribed under section 133 of Act read with the Companies (Indian Accounting Standards) Rule, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2023, and its profit and other comprehensive income, 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 made thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

Reference is invited to note 57 of the standalone financial statements. current liabilities are significantly greater than the current assets as on 31st March, 2023 and 31st March, 2022. In the opinion of the management, considering the revival of hospitality business, positive net worth as on 31st March, 2023, positive earnings before interest, taxes and depreciation (EBITDA) for the year ended 31st March, 2023 and year ended 31st March, 2022, increase in operations and profit during the current year, settlement of secured debts due to ARCs, settlement of loan given to subsidiary company which was fully provided in earlier year, reversal of provision for diminution in value of investment in subsidiary company (OHPPL), signing of term sheet for proposed sale of one of the hotel properties, issue of NCDs and further developments, considering the future business prospects and the fair value of the assets of the Company being significantly higher than the borrowings / debts, these standalone results have been prepared on a going concern basis which contemplates realisation of assets and settlement of liabilities in the normal course of the Company’s business.

Our opinion is not modified in respect of the above matter. Further, the material uncertainty related to going concern paragraph was also reported in our independent auditor’s report for earlier financial years. Our opinion was not modified in earlier years also.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current year. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no Key Audit Matters to communicate in our audit report.

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.

Management’s Responsibilities 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, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the 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 is 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, 2020 ("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 Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows 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 Ind AS prescribed under section 133 of the Act read with relevant rules made thereunder.

e) The matter described 'Material Uncertainty related to Going Concern' 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, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2023, 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

h) 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 / provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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 45.3 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.

   iv. The management has represented, as stated in note no. 60 of the financial statements that,

      a) no funds have been advanced or loaned or invested by the Company to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding that the intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the Company (Ultimate beneficiaries) or provide any guarantee, security or the like on behalf of ultimate beneficiaries.

      b) no funds have been received by the Company from any person(s) or entities including foreign entities ("Funding Parties") with the understanding that such Company shall whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (Ultimate beneficiaries) or provide guarantee, security or the like on behalf of the Ultimate beneficiaries.

      Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that causes us to believe that the above representations given by the management contain any material misstatement.

   v. The Company has not declared or paid dividend during the year. Hence our comments on compliance with section 123 of the Companies Act, 2013 does not arise.

   vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable for the Company only with effect from April 1, 2023, reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 is not applicable in the current year.

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

Milan Mody
Partner
Membership No. 103286
UDIN: 23103286BGPZMP3492

Place: Mumbai
Date: 27th May, 2023

Annexure A to the Independent Auditor's Report for the year ended 31st March 2023

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

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has also maintained proper records showing full particulars of intangible assets.

(b) The Property, Plant and Equipment were physically verified by the management at regular intervals, which in our opinion, is reasonable. According to the information and explanation given to us, discrepancies noticed on such physical verification were not material and have been appropriately dealt with in the books of accounts.

(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 (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) which are free hold, are held in the name of the Company as at the date of balance sheet except:

Description of property	Gross carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of Company
Building	Rs. 1.96 Lakhs	(Refer reason column)	(Refer reason column)	Since 1st April, 1994	Insufficient legal documentation

In respect of title deeds which are deposited with trustees / lenders, we have verified the title from photocopies of those agreements, and we have relied on the certificate provided by the trustees / lenders.

(d) According to the information and explanations given to us, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Therefore, clause (i)(d) of paragraph 3 of the Order is not applicable to the Company.

(e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Therefore, clause (i)(e) of paragraph 3 of the Order is not applicable to the Company.

(ii) (a) In our opinion, physical verification of inventories has been conducted by the management at reasonable intervals and the coverage and procedure of such verification by the management is appropriate. The discrepancies noticed on such verification by the management were less than 10% for each class of inventory and have been appropriately dealt with in the books of accounts.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets during any point of time of the year. Therefore, clause (ii)(b) of paragraph 3 of the Order is not applicable to the Company.

(iii) In respect of investments made in, guarantee or security provided or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties by the Company:

(a) According to the information and explanations given to us, the Company has provided loans or advances in the nature of loans or provided guarantee, or provided security to following entity during the year: -

(Rs. in Lakhs)

Particulars	Loan
Aggregate amount granted / provided during the year	
(A) - Subsidiaries	15,150
- Joint Ventures	1,260
- Associates	
(B) - Others	2,290
Balance outstanding as at balance sheet date in respect of above cases	
(A) - Subsidiaries	14,854
- Joint Ventures	1,260
- Associates	
(B) - Others	2,290

(b) According to the information and explanations given to us, and based on the audit procedures performed by us, we are of the opinion that loans granted by the Company in current year are not prejudicial to the Company's interest.

In respect to loans granted in earlier year to wholly owned subsidiary company Mahodadhi Palace Private Limited (MPPL) (Also refer note 12.2)) whose financial position have been affected due to adverse factors, interest is waived off by the Company till the financial position of this subsidiary company improve and accordingly the said 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, and in our opinion same is prejudicial to the interest of the Company

Similarly, in respect of investments made by the Company in joint venture namely Ilex Developers and Resorts Limited have been fully provided in the earlier year, and in our opinion same is prejudicial to the interest of the Company.

In respect of investments made by the Company in wholly owned subsidiary company Orchid Hotels Pune Private Limited (OHPPL) (Also refer note 10.1), is not prejudicial to the interest of the Company.

(c) According to the information and explanation given to us, loans given during the year are repayable on demand and hence the question of schedule of repayment does not arise. Further, payment of interest on the said loans is stipulated and receipts of the same are regular. With regards to the loans granted in earlier years:

- on request from subsidiary company, the Company has settled the loan of Rs. 19,646.40 lakhs at Rs. 6,000.00 lakhs and recovered Rs. 2,700.00 lakhs during the year.
- to another subsidiary amounting to Rs. 418.74 lakhs, considering various factors, recovery of principal and interest is unlikely and hence fully provided in the books in the earlier year.

(d) According to the information and explanation given to us and on the basis of examination of the records of company, there is no overdue amount for more than ninety days.

(e) According to the information and explanation given to us, during the year there is no renewal or extension or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) According to the information and explanations given to us, the Company has provided the loans or advances in the nature of loan, which are repayable on demand: -

(Rs. in lakhs)

	All Parties	Promoters	Related Parties
Aggregate amount of loans/ advances in nature of loans - Repayable on demand (A)	21,704.00	2,290.00	19,414.00
Agreement does not specify any terms or period of repayment (B)			
Total (A+B)	21,704.00	2,290.00	19,414.00
Percentage of loans/ advances in nature of loans to the total loans	100%	100%	100%

(iv) As per the information and explanation given to us, in respect of loans given during the year, the Company has complied with provisions of section 185 and section 186 of the Act. Further, as informed to us the Company has not made any investments, given guarantee or provided any security to which the provisions of section 185 and 186 of the Act is applicable.

(v) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 of the Act, any other relevant provisions 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 for the goods and services rendered by the Company. Accordingly, clause (vi) of paragraph 3 of the Order is not applicable to the Company.

(vii) (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 Goods & Service Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, cess and any other statutory dues, as applicable to the Company, during the period with the appropriate authorities. There are no undisputed amounts payable in respect of statutory dues outstanding for more than six months from the date they become payable except interest on ineligible input tax credit availed for which estimated provision is made and the reconciliation of which is in progress.

(b) According to the records of the Company and information and explanations given to us, there are no statutory dues referred in clause (vii)(a) above which have not been deposited with appropriate authorities on account of any dispute, except as tabulated below:

Name of the Statute	Nature of the dues	Amount (Rs. in Lakhs)*	Period to which it pertains	Forum where dispute is pending
Maharashtra Value Added Tax Act, 2002	MVAT	3.61	2006-07	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	214.74	2012-13	Commissioner of Income Tax – Appeal
	Income Tax	4772.54	2016-17	Commissioner of Income Tax – Appeal

* Net of amount paid under protest of Rs. 12.30 Lakhs.

(viii) According to the information and explanations given to us and based on the procedures carried out during the course of our audit, we have not come across any transactions not recorded in the books of account, which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(ix) In respect of Borrowing:

(a) In our opinion and according to the information and explanations given to us, the Company had delayed in payment of interest and repayment of dues to various lenders during the year (before considering the restructuring / extensions / OTS) as tabulated below:

(Rs. in Lakhs)

Nature of borrowing, including debt securities	Name of lender	Amount not paid on due date	Whether principal or interest	No. of days delay or unpaid	Remarks, if any
Secured	Phoenix ARC Private Limited (assigned by Allahabad Bank)	2,560.00	Principal	1 to 1,011 Days	The Company has settled all the dues to above lenders and obtained No Dues certificate for the same.
		1,690.28	Interest		
Secured	Assets Reconstruction Company Enterprises Limited (Assigned by State Bank of India)	10,338.77	Principal	1 to 1124 Days	
		5,274.47	Interest		
Secured	Assets Reconstruction Company Enterprises Limited (Assigned by Tourism Finance Corporation of India)	2,840.79	Principal	1 to 1124 Days	
		1,431.99	Interest		
Secured	Assets Reconstruction Company Enterprises Limited (Assigned by Andhra bank)	2,922.33	Principal	1 to 1124 Days	
		2,342.35	Interest		
Secured	India SME Asset Reconstruction Company Limited (Assigned by Syndicate Bank)	594.50	Principal	1 to 951 Days	
		272.12	Interest		
Secured	India SME Asset Reconstruction Company Limited (Assigned by Dena Bank)	203.50	Principal	1 to 399 Days	
		73.96	Interest		
Secured	Edelweiss Asset Reconstruction Limited (Assigned by Larsen & Toubro Infrastructure Finance Company Limited)	2084.00	Principal	1 to 1014 Days	
		324.26	Interest		
Secured	Invent Assets Securitization & Reconstruction Private Limited (Assigned by Vijaya Bank)	140.00	Principal	1 to 240 Days	
		14.65	Interest		

(b) According to information and explanations given to us, the Company has not been declared a wilful defaulter by any bank or financial institution or other lender. Therefore, clause (ix)(b) of paragraph 3 of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the term loans obtained during the year have been applied for the purposes for which those were obtained.

(d) According to the information and explanations given to us, and the procedures performed by us, no funds have been raised on short-term basis. Therefore, clause (ix)(d) of paragraph 3 of the Order is not applicable to the Company.

(e) According to the information and explanations given to us, and the procedures performed by us, we report that the Company has taken funds from following entities and person on account of or to meet the obligation of subsidiaries and joint venture:

(Rs. In lakhs)

Nature of fund taken	Name of lender	Amount involved	Name of the subsidiary, joint venture, associate	Relation	Nature of Transaction for which funds utilized
Issue of Debenture	Debenture holders	14,200.00	Orchid Hotels Pune Private Limited	Subsidiary	Settlement of Loan liability
Issue of Debenture	Debenture holders	1,260.00	Ilex Developers & Resort Limited	Joint Venture	Settlement of Loan liability

(f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised any loans during the year however issued non-convertible debenture on the pledge of securities held in its subsidiaries and joint venture as per details below. Further, the company has not defaulted in repayment.

(Rs. In lakhs)

Nature of loan taken	Name of lender	Amount loan	Name of the subsidiary, joint venture, associate	Relation	Details of security pledged
Issue of Debenture	Debenture holders	29,750.00	# Refer below	Subsidiary	Equity Share
			Ilex Developers & Resort Limited	Joint Venture	

Orchid Hotels Pune Private Limited, Mahodadhi Palace Private Limited, Orchid Hotels Eastern (I) Private Limited, Kamats Restaurant (India) Private Limited and Fort Jadhavgadh Hotels Private Limited

(x) In respect of issue of shares:

(a) According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year ended 31st March, 2023. Therefore, clause (x)(a) of paragraph 3 of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and based on our examination of the records, the Company has made preferential allotment of shares and the requirements of section 42 and section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised. Further, as informed to us, the Company has not made preferential allotment or private placement of convertible debentures (fully, partially or optionally convertible) during the year.

(xi) In respect of fraud:

(a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company has been noticed or reported during the year.

(b) No report under section 143(12) of the Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the management, there have been no whistle blower complaints received by the Company during the year.

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

(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 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 47 of standalone financial statements), read with Rule 7 of the Companies (Accounts) Rules, 2014.

(xiv) In respect of internal audit:

(a) In our opinion, the Company has an internal audit system and the same needs to be strengthened by widening the scope of internal audit.

(b) We have considered the internal audit reports of the company issued till date, for the period under audit.

(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 persons connected with him. Therefore, the question of our comment on compliance with the provisions of Section 192 of the Act does not arise.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, clause (xvi)(a) of paragraph 3 of the Order is not applicable to the Company.

(b) During the year, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Therefore, clause (xvi)(b) of paragraph 3 of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Therefore, clause (xvi)(c) of paragraph 3 of the Order is not applicable to the Company.

(d) As per information & explanation given to us, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016). Therefore, clause (xvi)(d) of paragraph 3 of the Order is not applicable to the Company.

(xvii) According to the information and explanations given to us, the Company has not incurred cash losses in the current financial year and there was a cash loss in the immediately preceding financial year amounting to Rs. 1,966.83 Lakhs.

(xviii) There has not been any resignation of the statutory auditors during the year. Therefore, clause (xviii) of paragraph 3 of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor’s knowledge of the Board of Directors and management plans, and based on our comment in paragraph “material uncertainty related to going concern”, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company is not required to spend on CSR as per section 135 of the Companies Act, 2013. Therefore, clause (xx) of paragraph 3 of the Order is not applicable to the Company.

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

Milan Mody
Partner
Membership No. 103286
UDIN: 23103286BGPZMP3492

Place: Mumbai
Date: 27th May, 2023

Annexure B to the Independent Auditor’s Report for the year ended 31st March, 2023

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

Report on internal financial control 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, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us, 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, 2023, 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.

The Company has an internal audit system and the same needs to be strengthened by widening the scope of internal audit.

Management’s Responsibility for Internal Financial Controls

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 (the “Guidance Note”) issued by the Institute of Chartered Accountants of India. 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.

Auditor’s 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 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

A 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

Milan Mody
Partner
Membership No. 103286
UDIN: 23103286BGPZMP3492

Place: Mumbai
Date: 27th May, 2023

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2023

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

	Particulars	Note no.	As at 31st March 2023	As at 31st March 2022
	ASSETS			
A	**Non-current assets**			
	a) Property, plant and equipment	5	15,837.21	24,997.95
	b) Capital work-in-progress	6	60.84	23.62
	c) Right of use assets	7	391.65	405.95
	d) Investment property	8	834.60	992.56
	e) Other intangible assets	9	49.50	64.69
	f) Financial assets			
	i) Investments in subsidiaries & joint venture	10	5,004.00	4.00
	ii) Investments	11	17.98	17.72
	iii) Loans	12	21,704.00	-
	iv) Other financial assets	13	2,269.62	2,182.28
	g) Income tax assets (Net)	14	1,478.82	1,124.64
	h) Other non current assets	15	3,178.70	3,349.35
	(A)		**50,826.92**	**33,162.76**
B	**Current assets**			
	a) Inventories	16	250.56	181.93
	b) Financial assets			
	i) Investments	17	7.55	6.61
	ii) Trade receivables	18	815.68	861.70
	iii) Cash and cash equivalents	19	675.04	860.38
	iv) Bank balances other than (iii) above	20	1,408.92	71.57
	v) Loans	21	0.87	0.04
	vi) Other financial assets	22	465.05	36.76
	c) Other current assets	23	506.76	409.76
	(B)		**4,130.43**	**2,428.75**
C	**Assets classified as Held For Sale**	54	8,376.37	-
	(C)		**8,376.37**	**-**
	TOTAL (A + B+C)		**63,333.72**	**35,591.51**
	EQUITY AND LIABILITIES			
A	**Equity**			
	a) Equity share capital	24	2,524.14	2,417.26
	b) Other equity	25	21,791.44	(6,508.95)
	(A)		**24,315.58**	**(4,091.69)**
	Liabilities			
B	**Non-current liabilities**			
	a) Financial liabilities			
	i) Borrowings	26	16,833.86	1,947.96
	ii) Lease liabilities	27	101.18	100.66
	iii) Other financial liabilities	28	108.38	97.20
	b) Provisions	29	401.68	376.05
	c) Deferred tax liabilities (Net)	30	983.04	640.60
	d) Other non-current liabilities	31	229.90	304.37
	(B)		**18,658.04**	**3,466.84**
C	**Current liabilities**			
	a) Financial liabilities			
	i) Borrowings	32	13,864.05	22,709.58
	ii) Lease liabilities	33	9.36	12.23
	iii) Trade payables	34		
	- Amount due to Micro and small enterprises		123.55	141.21
	- Amount due to other than Micro and small enterprises		1,868.75	1,693.96
	iv) Other financial liabilities	35	2,053.12	9,591.95
	b) Other current liabilities	36	2,345.82	1,959.67
	c) Provisions	37	95.45	107.76
	(C)		**20,360.10**	**36,216.36**
	TOTAL (A+B+C)		**63,333.72**	**35,591.51**
	Significant accounting policies and notes to financial statements	**1 to 64**		

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

Milan Mody
Partner
Membership No : 103286

Place: Mumbai
Date: 27th May, 2023

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

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

Ramnath P. Sarang
Director
(DIN : 02544807)

Smita Nanda
Chief Financial Officer

Place: Mumbai
Date: 27th May, 2023

KAMAT HOTELS (INDIA) LIMITED

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

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

	Particulars	Note no.	Year ended 31st March 2023	Year ended 31st March 2022
A	**Income**			
	Revenue from operations	38	22,359.54	10,818.68
	Other income	39	729.58	60.59
	Total income (A)		**23,089.12**	**10,879.27**
B	**Expenses**			
	Cost of food and beverage consumed	40	1,765.76	1,085.25
	Employee benefits expense	41	3,547.47	2,415.74
	Finance costs	42	1,921.24	4,752.76
	Depreciation and amortisation	5, 7, 8 & 9	1,008.40	1,003.33
	Other expenses	43	8,141.55	4,592.35
	Total expenses (B)		**16,384.42**	**13,849.43**
C	**Profit / (Loss) before exceptional items & tax (A - B) (C)**		**6,704.70**	**(2,970.16)**
	Exceptional item - Income (net)	44	19,812.01	-
D	**Profit / (Loss) before tax (D)**		**26,516.71**	**(2,970.16)**
E	**Tax expense:**	30		
	- Current tax		-	-
	- Deferred tax charge / (credit)		334.53	(736.49)
	- Short provision for current tax / deferred tax of earlier years (net)		1.46	0.73
	Total tax expense (E)		**335.99**	**(735.76)**
F	**Profit / (Loss) after tax (D - E)(F)**		**26,180.72**	**(2,234.40)**
G	**Other comprehensive income**			
	(i) Items not to be reclassified subsequently to Statement of Profit and Loss			
	- Remeasurement of defined benefit plans - gain		25.67	24.98
	- Income tax relating to items that will be not be reclassified to Statement of Profit and Loss		(6.46)	(6.29)
	Other comprehensive income for the year (G)		**19.21**	**18.69**
H	**Total comprehensive income for the year (F + G)**		**26,199.93**	**(2,215.71)**
	Basic and diluted earnings per share	49	110.71	(9.47)
	Equity shares [Face value of Rs. 10 each]			
	Significant accounting policies and notes to financial statement	**1 to 64**		

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

Milan Mody
Partner
Membership No : 103286

Place: Mumbai
Date: 27th May, 2023

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

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

Ramnath P. Sarang
Director
(DIN : 02544807)

Smita Nanda
Chief Financial Officer

Place: Mumbai
Date: 27th May, 2023

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2023

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

(a) Equity share capital

Current Reporting Period - 31st March, 2023

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
2,417.26	-	-	106.88	2,524.14

Previous Reporting Period - 31st March, 2022

Balance at the beginning of the previous reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year	Balance at the end of the previous reporting period
2,417.26	-	-	-	2,417.26

(b) Other equity

Particulars	Reserves & surplus					OCI*	Share Warrants	Total other equity
	Capital Reserve	Capital Redemption Reserve	Securities Premium	Amalgamation Reserve	Retained Earnings	Remeasurement gain/ (loss) of defined benefit plan		
Balance as at 31st March 2021	**13.87**	**266.50**	**14,986.74**	**280.06**	**(19,898.88)**	**58.47**	**-**	**(4,293.24)**
Loss for the year - 2021 - 2022	-	-	-	-	(2,234.40)	-	-	**(2,234.40)**
Other comprehensive income for the year - 2021-2022	-	-	-	-	-	18.69	-	**18.69**
Balance as at 31st March 2022	**13.87**	**266.50**	**14,986.74**	**280.06**	**(22,133.28)**	**77.16**	**-**	**(6,508.95)**
Profit for the year - 2022 - 2023	-	-	-	-	26,180.72	-	-	**26,180.72**
Share premium received on allotment of equity shares	-	-	929.86	-	-	-	-	**929.86**
Money received against Share Warrants	-	-	-	-	-	-	1,429.78	**1,429.78**
Amount transfer to share capital and security premium account on conversion of warrants	-	-	-	-	-	-	(259.19)	**(259.19)**
Other comprehensive income for the year - 2022-2023	-	-	-	-	-	19.21	-	**19.21**
Balance as at 31st March 2023	**13.87**	**266.50**	**15,916.60**	**280.06**	**4,047.44**	**96.37**	**1,170.60**	**21,791.44**

*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

Milan Mody
Partner
Membership No : 103286

Place: Mumbai
Date: 27th May, 2023

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

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

Ramnath P. Sarang
Director
(DIN : 02544807)

Smita Nanda
Chief Financial Officer

Place: Mumbai
Date: 27th May, 2023

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2023

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

	Particulars	Note	Year ended 31st March 2023	Year ended 31st March 2022
A.	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Profit / (Loss) before taxes and other comprehensive income		26,516.71	(2,970.16)
	Adjustments for:			
	Finance costs		1,921.24	4,752.76
	Interest income		(516.81)	(18.41)
	Depreciation and amortization		1,008.40	1,003.33
	Liabilities and provisions written back		(23.88)	(97.49)
	Bad debts written off		6.90	-
	(Reversal) / Provision for expected credit loss and doubtful advances		(24.60)	126.96
	Loss on sale / discard of property, plant and equipment		6.65	3.88
	Rent income		(124.70)	(41.00)
	(Profit) / Loss on fair value of investments		(1.20)	0.61
	Gain on settlement with lenders		(7,773.47)	
	Excess provision for doubtful unsecured loan to subsidiary written back (exceptional item)		(6,000.00)	-
	Excess provision for Investment in subsidiary written back (exeptional item)		(5,000.00)	-
	Profit on Sale of Investment Property (exceptional item)		(1,038.54)	-
	Operating profit before working capital changes		**8,956.70**	**2,760.48**
	Movements in working capital : [Including Current and Non-current]			
	(Increase) / decrease in loans, trade receivable and other assets		83.16	(302.36)
	Increase in inventories		(68.63)	(25.16)
	Increase / (decrease) in trade payable, other liabilities and provisions		1,224.79	(279.36)
			10,196.02	**2,153.60**
	Adjustment for:			
	Direct taxes (paid) (including tax deducted at source) / refund (net)		(302.50)	(106.89)
	Net cash generated from operating activities…(A)		**9,893.52**	**2,046.71**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Purchase of property, plant and equipment (Including capital work in progress and capital advances)		(254.12)	(275.37)
	Proceeds from sale of property, plant and equipment		5.42	4.10
	Proceeds from sale of investment property		1,172.94	-
	Loans given to related parties		(18,700.00)	-
	Repayment of loans received from related parties		2,996.00	-
	Temporary fund received from wholly owned subsidiary		1,150.00	270.00
	Repayment of temporary fund received from wholly owned subsidiary		(1,150.00)	(270.00)
	Rent income received		122.07	48.85
	Interest income		88.52	13.48
	Increase in bank balance [Current and non-current] (other than cash and cash equivalent)		(1,321.96)	(24.04)
			(15,891.14)	**(232.98)**
	Adjustment for:			
	Direct taxes (paid)/ refund received (including tax deducted at source) (Net)		(51.68)	(1.84)
	Net cash (used in) investing activities… (B)		**(15,942.82)**	**(234.82)**

KAMAT HOTELS (INDIA) LIMITED

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2023

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

	Particulars	Note	Year ended 31st March 2023	Year ended 31st March 2022
C.	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Proceeds from issue of equity shares		1,036.74	-
	Proceeds from issue of warrants		1,429.78	-
	Amount transfer to share capital and security premium account on conversion of warrants		(259.19)	
	Proceeds from issue of non-convertible debentures / long term borrowings		30,243.34	422.76
	Repayment of long term borrowings		(20,725.74)	(1,478.72)
	Payment of lease liabilities (Refer note 52)		(27.10)	(25.62)
	Interest paid (Including other borrowing cost)		(5,833.89)	(529.12)
	Net cash (used in) / from financing activities… (C)		**5,863.95**	**(1,610.70)**
	Net increase / (decrease) in cash and cash equivalents (A+ B+C)		**(185.34)**	**201.19**
	Cash and cash equivalents at beginning of the year		860.38	659.19
	Cash and cash equivalents at end of the year		675.04	860.38
	Net increase / (decrease) in cash and cash equivalents		**(185.34)**	**201.19**
	Significant accounting policies and notes to financial statements	1 to 64		

The notes referred to above form an integral part of the standalone financial statements

Notes:

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

(ii) Refer note 55 for other notes related to statement of cash flow.

As per our audit report of even date

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

Milan Mody
Partner
Membership No : 103286

Place: Mumbai
Date: 27th May, 2023

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

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

Ramnath P. Sarang
Director
(DIN : 02544807)

Smita Nanda
Chief Financial Officer

Place: Mumbai
Date: 27th May, 2023

Notes on Standalone financial statements for the year ended 31st March 2023

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. Its shares are listed and traded on the Bombay Stock Exchange and National Stock Exchange 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, 2023 were approved and adopted by board of directors of the Company in their meeting held on 27th May, 2023.

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.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.2. **Basis of preparation and presentation**

These standalone financial statements have been prepared on the historical cost convention and on accrual basis except for the following assets and liabilities which have been measured at fair value:

i) Certain financial assets and liabilities (including derivative instruments);

ii) Defined benefit plans – plan assets;

The financial statements are in accordance with Division II of Schedule III to the Act, as applicable to the Company.

2.3. **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.

2.4. **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 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 asset and liability.

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".

2.5. **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 (Refer note no. 58)

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.

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 (Tangible Assets) 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.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under "Other non-current assets". 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.

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) 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.

(vi) 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.

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

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 costs**

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**

The Company had adopted Ind AS 116 'Leases' effective from 1st April, 2019, as notified by the Ministry of Corporate Affairs in the Companies (Indian Accounting Standard) Amendment Rules, 2019.

Where the Company is lessee

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.

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 standalone 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 of right-of-use asset.

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.

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.

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.

Right-of-use assets and lease liability balances are adjusted on partial / full termination of lease and corresponding gain / loss on such partial / full termination is charged to other income / other expenses in the Statement of Profit and Loss.

Where the Company is the lessor

Lease income from operating leases where the Company is a lessor is recognised (net of GST) in income on a straight-line basis over the lease term. The respective leased assets are included in the balance sheet based on their nature.

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. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

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.

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. **Statement of Cash Flow**

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. **Non-Current assets held for sale and discontinued operations**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits and financial assets which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

Non-current assets and liabilities classified as held for sale are presented separately from the other assets and liabilities in the balance sheet.

3.18. **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.

3.19. **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.

3.19.1. **Financial assets**

All regular way purchases or sales of financial assets are recognized 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.

3.19.2.**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; or
- 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 115.

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 115.

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 Ind AS & amendments to existing Ind AS issued but not effective as at 31st March, 2023**

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31st March, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2023, as below:

Ind AS 1 – Preparation of Financial Statements:

Companies should now disclose “Material Accounting Policies” rather than their “Significant Accounting Policies”. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors:

Definition of ‘change in account estimate’ has been replaced by revised definition of ‘accounting estimate’. As per revised definition, accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty. A company develops an accounting estimate to achieve the objective set out by an accounting policy. Accounting estimates include:

a) Selection of a measurement technique (estimation or valuation technique)

b) Selecting the inputs to be used when applying the chosen measurement technique.

Ind AS 12 – Income Tax:

Narrowed the scope of the Initial Recognition Exemption (with regard to leases and decommissioning obligations). Now such an exemption does not apply to transactions that give rise to equal and offsetting temporary differences. Accordingly, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on transactions such as initial recognition of a lease and a decommissioning provision.

The Company does not expect the above amendments to have any significant impact in its financial statements.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

5	Property, plant and equipment	Freehold Land	Building	Leasehold Improvements (Refer note 5.2)	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Total
	Balance as at 31st March 2021	**2,561.08**	**6,515.30**	**18,661.15**	**2,167.59**	**297.16**	**36.45**	**87.69**	**30,326.42**
	Additions during the year 2021-22	-	-	670.63	112.75	28.48	11.99	4.92	828.77
	Deletions during the year 2021-22	-	-	0.03	16.21	0.03	0.67	0.57	17.51
	Balance as at 31st March 2022	**2,561.08**	**6,515.30**	**19,331.75**	**2,264.13**	**325.61**	**47.77**	**92.04**	**31,137.68**
	Additions during the year 2022-23	-	5.77	47.39	89.20	25.63	6.34	8.22	182.55
	Deletions during the year 2022-23	-	-	4.42	25.63	0.68	-	4.66	35.39
	Assets classified as held for sale	2,561.08	6,519.56	-	683.63	71.15	0.00	27.31	9,862.73
	Balance as at 31st March 2023	**-**	**1.51**	**19,374.72**	**1,644.07**	**279.41**	**54.11**	**68.29**	**21,422.11**
	Accumulated depreciation								
	Balance as at 31st March 2021	**-**	**681.48**	**3,202.22**	**1,071.36**	**157.13**	**18.04**	**66.94**	**5,197.17**
	For the year	-	131.64	623.16	155.69	20.27	5.12	16.99	952.87
	Disposal	-	-	-	9.75	-	0.05	0.50	10.30
	Balance as at 31st March 2022	**-**	**813.12**	**3,825.38**	**1,217.30**	**177.40**	**23.11**	**83.43**	**6,139.74**
	For the year	-	131.70	650.24	137.45	24.10	4.19	11.03	958.71
	Disposal	-	-	3.28	15.54	0.54	-	3.96	23.32
	Assets classified as held for sale	-	944.44	-	486.98	34.68	-	24.13	1,490.23
	Balance as at 31st March 2023	**-**	**0.38**	**4,472.34**	**852.23**	**166.28**	**27.30**	**66.37**	**5,584.90**
	Net carrying amount								
	Balance as at 31st March, 2022	**2,561.08**	**5,702.18**	**15,506.37**	**1,046.83**	**148.21**	**24.66**	**8.61**	**24,997.95**
	Balance as at 31st March, 2023	**-**	**1.13**	**14,902.38**	**791.84**	**113.13**	**26.81**	**1.92**	**15,837.21**

Notes:

5.1 For details of assets given as security,refer note 26.

5.2 The leasehold improvements are constructed on land taken under cancellable lease.

5.3 The amount of capital commitment disclosed in note 45.1(a)

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

5.4 Title deeds of Immovable Property not held in the name of the Company:

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter /director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Property, plant and equipment	Building	1.96	(Refer reason column)	(Refer reason column)	01st April,1994	Insufficient legal documentation

6 Capital work in progress (CWIP)	As at 31st March 2023	As at 31st March 2022
Opening balance	23.62	617.65
Add: Additions during the year	268.62	343.35
Less: Capitalised during the year	176.55	830.48
Less: Transferred to Expenses	54.85	106.90
Closing balance	**60.84**	**23.62**

6.1 CWIP / Intangible assets under development ageing schedule:

Project Type	Amount in CWIP for a period as on 31st March, 2023				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress					
Heat Pump at VITS Mumbai	14.05	-	-	-	14.05
HVAC System at VITS Mumbai	22.54	-	-	-	22.54
AC Plant & Air Condition at The Orchid	3.50	-	-	-	3.50
Mobile Phone at The Orchid	0.06	-	-	-	0.06
Godrej Locker at Lotus Murud	2.11	-	-	-	2.11
Projects temporarily suspended					
Kitchen Equipment at The Orchid Mumbai	-	-	-	18.58	18.58
Total	**42.26**	**-**	**-**	**18.58**	**60.84**

Project Type	Amount in CWIP for a period as on 31st March, 2022				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress					
New Swimming Pool at Lotus Konark	2.20	-	-	-	2.20
Electrical Work at VITS Mumbai	2.41	-	-	-	2.41
Furniture Work at The Orchid Mumbai	0.23	-	-	-	0.23
New Software Installation at The Orchid Mumbai	0.20	-	-	-	0.20
Kitchen Equipment at The Orchid Mumbai	-	-	18.58	-	18.58
Total	**5.04**	**-**	**18.58**	**-**	**23.62**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

7

Right of use assets (Refer note 52)	Land & building	Total
Balance as at 31st March, 2021	**448.89**	**448.89**
Additions during the year 2021-22	-	-
Deletions during the year 2021-22	-	-
Balance as at 31st March, 2022	**448.89**	**448.89**
Additions during the year 2022-23	-	-
Deletions during the year 2022-23	-	-
Balance as at 31st March, 2023	**448.89**	**448.89**
Accumulated depreciation		
Balance as at 31st March, 2021	**28.64**	**28.64**
For the year	14.30	14.30
Disposal	-	-
Balance as at 31st March, 2022	**42.94**	**42.94**
For the year	14.30	14.30
Disposal	-	-
Balance as at 31st March, 2023	**57.24**	**57.24**
Net carrying amount		
Balance as at 31st March, 2022	**405.95**	**405.95**
Balance as at 31st March, 2023	**391.65**	**391.65**

8

Investment property	Freehold land	Building	Building on leasehold land (Refer note 8.4)	Total
Balance as at 31st March, 2021	**178.09**	**8.94**	**950.85**	**1,137.88**
Additions during the year 2021-22	-	-	-	-
Deletions during the year 2021-22	-	-	-	-
Balance as at 31st March, 2022	**178.09**	**8.94**	**950.85**	**1,137.88**
Additions during the year 2022-23	-	-	-	-
Deletions during the year 2022-23	134.40	-	-	134.40
Balance as at 31st March, 2023	**43.69**	**8.94**	**950.85**	**1,003.48**
Accumulated depreciation				
Balance as at 31st March, 2021	-	**0.82**	**120.78**	**121.60**
For the year	-	0.16	23.56	23.72
Disposal	-	-	-	-
Balance as at 31st March, 2022	-	**0.98**	**144.34**	**145.32**
For the year	-	0.16	23.40	23.56
Disposal	-	-	-	-
Balance as at 31st March, 2023	-	**1.14**	**167.74**	**168.88**
Net carrying amount				
Balance as at 31st March, 2022	**178.09**	**7.96**	**806.51**	**992.56**
Balance as at 31st March, 2023	**43.69**	**7.80**	**783.11**	**834.60**

8.1 Depreciation is provided on investment property based on useful life on Straight Line Method [Also refer note 3.4].

8.2 Cost of freehold land includes Rs. Nil lakhs as at 31st March 2023 (Previous year: Rs. 71.70 lakhs) which is in the name of the 'Executive Chairman and Managing Director' (ECMD) of the Company and includes Rs. Nil lakhs as at 31st March 2023 (Previous year Rs 62.70 lakhs) which is in the name of a relative of the ECMD.

8.3 For details of assets given as security, refer note 26.

8.4 The leasehold improvements are constructed on land taken under cancellable lease.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

8.5 Amount recognized in Statement of Profit and Loss for investment properties:

Particulars	31st March 2023	31st March 2022
Rental income derived from investment property (Refer note 8.6)	109.78	34.75
Direct operating expenses (including repairs and maintenance) generating rental income	19.18	18.21
Direct operating expenses (including repairs and maintenance) that did not generate rental income	2.48	2.40
Profit from leasing of investment properties before depreciation	**88.12**	**14.14**
Less: Depreciation expenses	23.40	23.56
Profit / (loss) from leasing of investment properties after depreciation	**64.72**	**(9.42)**

8.6 Leasing arrangement

Certain investment properties are leased to tenants under cancellable / non-cancellable operating leases with rentals payable monthly.

8.7 Fair value

Particulars	As at 31st March 2023	As at 31st March 2022
Fair value of investment properties	1,518.81	1,372.25

8.8 The Company's investment properties consist of land situated at Kottayam (Kerala), Baddi (Himachal Pradesh), Residential flat at Nagpur 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.

9

Other intangible assets	Software	Total
Balance as at 31st March, 2021	**115.23**	**115.23**
Additions during the year 2021-22	1.71	1.71
Deletions during the year 2021-22	-	-
Balance as at 31st March, 2022	**116.94**	**116.94**
Additions during the year 2022-23	0.51	0.51
Deletions during the year 2022-23	0.40	0.40
Assets classified as held for sale	10.73	10.73
Balance as at 31st March, 2023	**106.32**	**106.32**
Accumulated amortization		
Balance as at 31st March, 2021	**39.81**	**39.81**
For the year	12.44	12.44
Disposal	-	-
Balance as at 31st March, 2022	**52.25**	**52.25**
For the year	11.83	11.83
Disposal	0.40	0.40
Assets classified as held for sale	6.86	6.86
Balance as at 31st March, 2023	**56.82**	**56.82**
Net carrying amount		
Balance as at 31st March, 2022	**64.69**	**64.69**
Balance as at 31st March, 2023	**49.50**	**49.50**

9.1 Software is other than internally generated software.

9.2 Balance useful life of intangible assets as at 31st March 2023 is 1 to 9 years (Previous year: 1 to 9 years).

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

10	**Investments in subsidiaries and joint venture** (At cost)	**As at 31st March 2023**	**As at 31st March 2022**
	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, 2022 1,17,64,706) of Rs. 10 each	9,327.75	9,327.75
	Less: Impairment in value of investment (Refer note 10.1)	4,327.75	9,327.75
		5,000.00	-
	Fort Jadhavgadh Hotels Private Limited 10,000 equity shares (31st March, 2022: 10,000) of Rs. 10 each	1.00	1.00
	Orchid Hotels Eastern (India) Private Limited 10,000 equity shares (31st March, 2022: 10,000) of Rs. 10 each	1.00	1.00
	Mahodadhi Palace Private Limited 10,000 equity shares (31st March, 2022: 10,000) of Rs. 10 each	1.00	1.00
	Kamat Restaurants (India) Private Limited	1.00	1.00
	10,000 equity shares (31st March, 2022: 10,000) of Rs. 10 each		
	Investments in Joint Venture		
	Ilex Developers and Resorts Limited 2,66,500 equity shares (31st March, 2022: 2,66,500) of Rs. 10 each	533.00	533.00
	Less: Impairment in value of investment (Refer note 10.2)	533.00	533.00
	Total	**5,004.00**	**4.00**
	Aggregate cost of unquoted investment	9,864.75	9,864.75
	Aggregate amount of impairment in value of investments	4,860.75	9,860.75

10.1 The Company had made a strategic and long term investment of Rs. 9,327.75 lakhs in the shares of OHPPL in earlier years. Considering the adverse financial position of OHPPL and arrangement with lenders of OHPPL, in the earlier years, the Company had made full provision for diminution of investment. Since, the financial performance of the hotel business of OHPPL has improved and also during the year ended 31st March, 2023, the secured loan of lender has been settled, reversal of impairment on Property, plant and equipment, the Company has partially reversed the provision for diminution upto Rs. 5,000.00 lakhs and is shown as exceptional income. Provision for diminution of investment remaining as on 31st March, 2023 amounts to Rs. 4,327.75 lakhs.

10.2 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.

10.3 Company's investment in equity shares of wholly owned subsidiaries [Kamats Restaurants (India) Private Limited, Fort Jadhavgadh Hotels Private Limited, Mahodadhi Palace Private Limited, Orchid Hotels Eastern (India) Private Limited and Orchid Hotels Pune Private Limited] and equity shares held in joint venture entity [ILEX Developers and Resorts Limited] is given as security against issue of 14% Rated Listed Secured Redeemable Non-Convertible Debentures by the Company [Also refer note 26.1].

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

11	**Investments**	**As at 31st March 2023**	**As at 31st March 2022**
	Non-current		
	Investment measured at Fair Value Through Profit or Loss (FVTPL)		
	Investment in equity instruments		
	Quoted		
	Royal Orchid Hotels Limited 50 equity shares (31st March 2022: 50) of Rs 10 each	0.14	0.06
	Unquoted		
	The Satara Sahakari Bank Limited 10,010 equity shares (31st March, 2022: 10,010) of Rs. 50 each	17.84	17.66
	Total FVTPL investments	**17.98**	**17.72**
	Total	**17.98**	**17.72**
	Aggregate cost of quoted investments	0.03	0.03
	Aggregate amount of unquoted investments	17.84	17.66
	Market value of quoted investments	0.14	0.06
	Aggregate amount of impairment in value of investments	-	-

12	**Loans** (Unsecured, considered good unless otherwise stated)	**As at 31st March 2023**	**As at 31st March 2022**
	Non-current		
	Loans to subsidiaries (considered doubtful)	418.74	20,065.14
	Less: Impairment of advance given (Refer note 12.2)	418.74	20,065.14
		-	-
	Loans to related parties (Refer note 12.1 and 12.3)	21,704.00	-
	Inter corporate deposit (considered doubtful)	200.00	200.00
	Less: Impairment of advance given	200.00	200.00
		-	-
	Total	**21,704.00**	**-**

12.1 Loans or Advances to Specified Person

Type of Borrower	Amount of loan or advance in the nature of loan outstanding as at year end	Percentage to the total Loans and Advances in the nature of loans	Amount of loan or advance in the nature of loan outstanding as at year end	Percentage to the total Loans and Advances in the nature of loans
	31st March, 2023		**31st March, 2022**	
Related Parties				
Orchid Hotels Pune Private Limited	18,154.00	82.06%	19,646.40	97.91%
Mahodadhi Palace Private Limited	418.74	1.89%	418.74	2.09%
Ilex Developers and Resorts Limited	1,260.00	5.70%	-	0.00%
Promoters				
Plaza Hotels Private Limited	2,290.00	10.35%	-	0.00%
Total	**22,122.74**	**100.00%**	**20,065.14**	**100.00%**

12.2 Loan to subsidiaries include outstanding loan of Rs. 418.74 lakhs as at 31st March 2023 (Previous year: Rs. 418.74 lakhs) given to Mahodadhi Palace Private Limited (MPPL) (wholly owned subsidiary), whose financial position have been affected due to adverse factor. Considering these adverse factors, in the earlier years the Company had made a provision of Rs. 418.74 lakhs for doubtful of recovery from this subsidiary.

Further, in view of various adverse factors and request made to holding company by MPPL for waiver of interest, the 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 off. This waiver is effective since 28th February 2017.

12.3 In the earlier years, considering the adverse financial position of Orchid Hotels Pune Private Limited (OHPPL) (wholly owned subsidiary) and arrangement with lenders of OHPPL, the Company had treated the unsecured loan to OHPPL as doubtful, made full provision in the books and also discontinued accruing interest income thereon. During the year, the Company has considered request from OHPPL for substantial waiver of old loan of Rs. 19,646.40 lakhs and agreed at settlement value of Rs. 6,000.00 lakhs, without further interest till

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

the date of repayment. Consequently, the Company has reversed the provision of doubtful loan of Rs. 6,000.00 lakhs which is shown as exceptional income. Company has received Rs. 2,700 lakhs towards part payment of settlement amount during the year.

13	Other financial assets	As at 31st March 2023	As at 31st March 2022
	Non current		
	Security deposits		
	- Related Party (Refer note 13.2 and 47)	2,140.84	2,026.73
	- Others	128.51	139.89
	Bank deposits with more than 12 months maturity (Refer note 13.1)	0.27	15.66
	Total	**2,269.62**	**2,182.28**

13.1 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.

13.2 Security deposit paid having carrying value of Rs. 8,000 lakhs as at 31st March 2023 (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. Deferred lease asset arising out of the said fair valuation is being amortised on straight line basis (Refer note 15).

14	Income tax assets (Net)	As at 31st March 2023	As at 31st March 2022
	Non current		
	Income tax (Net)	1,478.82	1,124.64
	Total	**1,478.82**	**1,124.64**

15	**Other non current assets** (Unsecured, considered good unless otherwise stated)	As at 31st March 2023	As at 31st March 2022
	Capital advances	189.43	201.81
	Less: Impairment of advance given	188.65	188.65
		0.78	13.16
	Others advances (Refer Note 15.1)	488.62	488.62
	Less: Impairment of advance given	488.62	488.62
		-	-
	Deferred advance rentals	3,162.20	3,324.89
	Prepaid expenses	15.72	11.30
	Total	**3,178.70**	**3,349.35**

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 will be settled.

16	**Inventories (Refer Note 26.1)** (At lower of cost or net realisable value)	As at 31st March 2023	As at 31st March 2022
	Food and beverages	142.97	114.00
	Stores and operating supplies	107.59	67.93
	Total	**250.56**	**181.93**

16.1 The cost of inventories recognised as an expense amounted to Rs.2,802.87 lakhs (Previous year Rs. 1,680.76 lakhs). Refer note 3.5 for accounting policy for inventory valuation.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

17	**Investments (Refer Note 26.1)**	**As at 31st March 2023**	**As at 31st March 2022**
	Current		
	Investment measured at Fair Value Through Profit or Loss		
	Quoted		
	50,000 (Previous year: 50,000) units of SBI PSU FUND- of Rs.10 each (Refer Note 17.1)	7.55	6.61
	Total	**7.55**	**6.61**
	Aggregate cost of quoted investments	5.00	5.00
	Market value of quoted investments	7.55	6.61
	Aggregate amount of impairment in value of investments	-	-

17.1 The fair value hierarchy and classification are disclosed in Note 61.

18	**Trade receivable (Refer note 26.1)** (Unsecured considered good, unless otherwise stated)	**As at 31st March 2023**	**As at 31st March 2022**
	-Considered good (Refer Note 18.3)	815.68	845.36
	-Trade receivables which have significant increase in credit risk	1,598.25	1,639.19
	Sub-total	**2,413.93**	**2,484.55**
	Less: Allowance for expected credit loss* (Refer note 18.4)	1,598.25	1,622.85
	Total	**815.68**	**861.70**

* 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 63(a)(ii)].

18.1 Trade receivables ageing schedule as at 31st March, 2023:

	Particulars	Unbilled (grouped under trade receivable)	Not Due	Outstanding for following periods from due date of payment					
				Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
i)	Undisputed Trade Receivables - Considered good	35.21	437.61	330.00	-	-	-	-	**802.82**
ii)	Undisputed Trade Receivables - which has significant increase in credit risk	-	-	-	59.69	98.45	40.01	1,364.20	**1,562.35**
iii)	Disputed Trade Receivables - which has significant increase in credit risk	-	-	-	-	-	-	48.76	**48.76**
	Total	**35.21**	**437.61**	**330.00**	**59.69**	**98.45**	**40.01**	**1,412.96**	**2,413.93**

18.2 Trade receivables ageing schedule as at 31st March, 2022:

	Particulars	Unbilled (grouped under trade receivable)	Not Due	Outstanding for following periods from due date of payment					
				Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
i)	Undisputed Trade Receivables - Considered good	57.20	459.26	328.90	-	-	-	-	**845.36**
ii)	Undisputed Trade Receivables - which has significant increase in credit risk	-	-	-	102.07	75.41	60.99	1,351.97	**1,590.44**
iii)	Disputed Trade Receivables - which has significant increase in credit risk	-	-	-	-	32.20	-	16.55	**48.75**
	Total	**57.20**	**459.26**	**328.90**	**102.07**	**107.61**	**60.99**	**1,368.52**	**2,484.55**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

18.3 Trade receivable includes receivable from related parties as given below. This included amount of Rs. 77.46 lakhs (Previous year: Rs. 64.70 lakhs) from entities in which director of the Company is also director.

Particulars	As at 31st March 2023	As at 31st March 2022
From related parties (Refer note 46)		
Orchid Hotel Pune Private Limited	70.81	62.52
Ilex Developers & Resorts Limited	6.65	2.18
Total	**77.46**	**64.70**

18.4

Movement of Allowance for expected credit loss:	Year ended 31st March 2023	Year ended 31st March 2022
Opening balance	1,622.85	**1,506.05**
Add: allowance during the year	-	116.80
Sub-total	1,622.85	1,622.85
Less: Bad debts written off	6.90	-
Less: Reversal of allowances no longer required	17.70	-
Closing balance	**1,598.25**	**1,622.85**

19

Cash and cash equivalent (Refer note 26.1)	As at 31st March 2023	As at 31st March 2022
Balances with bank		
- In current accounts	631.82	220.20
- Cash in hand	18.07	14.64
- Fixed deposits (maturity less than 12 months)	25.15	625.54
Total	**675.04**	**860.38**

20

Other bank balance (Refer note 26.1)	As at 31st March 2023	As at 31st March 2022
Margin money in fixed deposits with banks (Refer note 20.1)	1,120.29	59.99
Balance in Bank - Escrow Account (Refer note 20.2)	288.63	11.58
Total	**1,408.92**	**71.57**

20.1 Fixed deposit as margin money with bank include minimum amount need to maintain in Debt Service Reserve Account as per the terms of Debenture Trust Deed and for guarantee given by bank to Government & other authorities on behalf of the Company.

20.2 Balance with bank (escrow account) is maintained for servicing of dues payable to debenture holder.

21

Loans (Unsecured considered good, unless otherwise stated)	As at 31st March 2023	As at 31st March 2022
Current		
Loans and advances to employees	0.87	0.04
Total	**0.87**	**0.04**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

22

Other financial assets (Refer note 26.1) (Unsecured, considered good unless otherwise stated)	**As at 31st March 2023**	**As at 31st March 2022**
Current		
Interest receivable from:		
- Wholly owned subsidiary on loans and advances	328.68	-
- Joint Venture on loans and advances	39.77	-
- Promoter Company on loans and advances	72.28	-
- Wholly owned subsidiary on loans and advances (Refer note 47.3)	3.62	3.62
Less: Provision for doubtful Loans and advances	3.62	3.62
	-	-
- on bank deposits and Investments	11.77	24.21
Security deposit	12.55	12.55
Total	**465.05**	**36.76**

23

Other current assets (Refer note 26.2) (Unsecured, considered good unless otherwise stated)	**As at 31st March 2023**	**As at 31st March 2022**
Advances to vendors	72.35	84.09
GST receivable on vendor payment	17.93	17.60
Balances with Government authorities (Refer note 23.1)	186.58	132.66
Less: Provision for doubtful export benefit receivable	-	(6.55)
	186.58	126.11
Prepaid expenses	229.90	181.96
Total	**506.76**	**409.76**

23.1 Balance with government authorities includes input tax credit (ITC) of Rs.12.88 lakhs (Previous year: Rs. 12.88 lakhs) of Goods and service tax (GST) taken based on legal interpretation.

24

Share capital	**As at 31st March 2023**	**As at 31st March 2022**
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		
2,55,15,363 (Previous year: 2,44,46,558) Equity Shares of Rs. 10 each, fully paid up (Refer note 24.2 and 24.3)	2,524.14	2,417.26
Total	**2,524.14**	**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).

24.2 Issued, subscribed and paid-up capital include 8,62,500 forfeiture share, which are partly paid up (at the rate of Rs. 6.82 per share), amounts originally paid up is Rs. 58.85 lakhs.

24.3 During the year the Company has issued 10,68,805 equity share to promoters having face value of Rs. 10 at Rs. 97 per share, against conversion of share warrants and accordingly premium of Rs.87 per share have been accounted in other equity as security premium.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

24.4 Reconciliation of the number of shares outstanding is set out below:

Particulars	FY 2022-23		FY 2021-22	
	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	10,68,805	106.88	-	-
Number of shares at the year end	2,46,52,863	2,465.29	2,35,84,058	2,358.41

24.5 Details of shareholders holding more than 5 % shares

Particulars	As at 31st March 2023		As at 31st March 2022	
	Number of shares	% held	Number of shares	% held
Kamat Holdings Private Limited (Refer note 24.6)	-	-	15,00,000	6.36
Plaza Hotels Private Limited (Refer note 24.3)	40,14,748	16.29	35,35,545	14.99
Indira Investments Private Limited (Refer note 24.6)	-	-	15,63,794	6.63
Dr. Vithal V. Kamat (Refer note 24.3)	38,44,592	14.99	32,54,990	13.80
Vishal Amusements Limited	51,57,342	20.92	18,88,526	8.01

24.6 Shares held by promoters at the end of the year

Sr.No	Promoters Name	As as 31st March, 2023		As as 31st March, 2022		% of changes during the year
		Number of shares held	% of total shares	Number of shares held	% of total shares	
1	Vithal V. Kamat (HUF)	1,49,864	0.61	1,49,864	0.64	-4.34%
2	Dr.Vithal V. Kamat	29,66,075	12.03	23,76,473	10.08	19.40%
3	Vithal V. Kamat/Vidhya V. Kamat	7,28,653	2.96	7,28,653	3.09	-4.34%
4	Vishal V. Kamat	15,127	0.06	15,127	0.06	-4.34%
5	Vishal V. Kamat/Vidhya V. Kamat	500	0.00	500	0.00	-4.34%
6	Vidhya Vithal Kamat	95,621	0.39	95,621	0.41	-4.34%
7	Vidhya V. Kamat/Vithal Venketesh Kamat	1,000	0.00	1,000	0.00	-4.34%
8	Vidita V. Kamat/Vidhya V. Kamat	500	0.00	500	0.00	-4.34%
9	Vikram V. Kamat/Vidhya V. Kamat	500	0.00	500	0.00	-4.34%
10	Kamat Holdings Pvt Ltd *	-	0.00	15,00,000	6.36	-100.00%
11	Indira Investments Pvt Ltd *	-	0.00	15,63,794	6.63	-100.00%
12	Plaza Hotels Pvt Ltd	40,14,748	16.29	35,35,545	14.99	8.63%
13	Kamat Development Pvt Ltd	8,39,272	3.40	8,39,272	3.56	-4.34%
14	Sangli Rubber Agro Pvt Ltd	7,57,000	3.07	7,57,000	3.21	-4.34%
15	Kamats Club Pvt Ltd *	-	0.00	4,900	0.02	-100.00%
16	Kamburger Foods Pvt Ltd *	40,551	0.16	40,551	0.17	-4.34%
17	Kamats Super Snacks Pvt Ltd *	1,82,445	0.74	1,82,445	0.77	-4.34%
18	Karaoke Amusements Pvt Ltd	-	0.00	80,877	0.34	-100.00%
19	Vishal Amusements Ltd	51,57,342	20.92	18,88,526	8.01	161.25%
20	Kamat Holiday Resorts (Silvassa) Ltd	2,76,439	1.12	2,76,439	1.17	-4.34%
21	Kamat Eateries Pvt Ltd *	-	0.00	1,19,245	0.51	-100.00%
22	Savarwadi Rubber Agro Pvt Ltd	2,05,128	0.83	2,05,128	0.87	-4.34%
		1,54,30,765	**62.59**	**1,43,61,960**	**60.90**	

* These entities have merged with Vishal Amusement Limited with effect from 16th May, 2018, and share has been transferred in the name of transferee during the year, except Kamburger Foods Private Limited and Kamats Super Snacks Private Limited.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

25

Other equity	As at 31st March 2023	As at 31st March 2022
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
Add: Share premium on shares allotted during the year	929.86	-
Closing balance	**15,916.60**	**14,986.74**
Amalgmation reserve (Refer note 25.4)		
As per last Balance sheet	280.06	280.06
Share warrants (Refer note 25.5)		
Proceeds from Issue of warrants (25% upfront amount)	1,429.78	-
Less:- Amount transfer to share capital and security premium account on conversion of warrants	(259.19)	-
Closing balance	**1,170.60**	**-**
Surplus / (Deficit) in the Statement of Profit and loss		
As per last balance sheet	(22,133.28)	(19,898.88)
Add: Profit for the year	26,180.72	(2,234.40)
Closing balance	**4,047.44**	**(22,133.28)**
Other comprehensive income		
As per last balance sheet	77.16	58.47
Add: Other comprehensive income for the year	19.21	18.69
Closing balance	**96.37**	**77.16**
Total	**21,791.44**	**(6,508.95)**

25.1 Capital reserve represent profit on sale of fixed asset related to an entity amalgamated with the Company in the earlier years.

25.2 Capital redemption reserve is credited by amount set aside for redemption of preference shares issued in earlier years.

25.3 Securities premium account is used to record the premium on issue of equity shares. The same will be 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.

25.5 Money received against share warrants consist of 25% upfront money received against issue of 48,27,209 preferential convertible warrants which are pending for conversion into equity share.

The Company will utilize the proceeds from the preferential issue of Warrants for the purpose of capital expenditures, repayment of debts, working capital requirements and for general corporate purposes..

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

26	Borrowings	As at 31st March 2023	As at 31st March 2022
	Non-current borrowings		
	Secured		
	Debenture (Refer note 26.1)		
	- From Non Convertible Debenture Holders	29,420.23	-
	Term loans (Refer note 26.2(a))		
	- From banks (Refer note 26.2(a), 26.2(b), 26.2(c) and 26.4)	-	2,145.29
	- From others (Refer note 26.2(a), 26.2(b), 26.2(c) and 26.4)	-	30,047.66
	Unsecured		
	- Inter-corporate loan (Refer note 26.3)	549.67	211.09
	- Inter-corporate loan (Related party) (Refer note 26.4)	781.09	-
		30,750.99	32,404.04
	Less: Current maturities of long term loans and debentures (Refer note 32)	13,864.05	22,709.58
	Less: Interest accrued and due (Refer note 35)	53.08	7,736.77
	Less: Interest accrued but not due (Refer note 35)	-	9.73
	Total	**16,833.86**	**1,947.96**

26.1 During the year ended 31st March, 2023, the Company has allotted 29,750 "14% Rated Listed Secured Redeemable Non-Convertible Debentures" (NCDs) having face value of Rs. 1 lakh each amounting to Rs. 29,750.00 lakhs through private placement. The Company has utilized the issue proceeds towards settlement of secured debts of the Company, a subsidiary company, joint venture company and loan to a company belonging to the promoter.The redemption of NCDs shall be as per repayment schedule of Debenture Trust Deeds.

Non-convertible debenture aggregating to Rs. 29,420 lakhs are secured by (i) First ranking exclusive charge on lands at “The Orchid” at Vile Parle (East) (owned by Plaza Hotels Private Limited) together with hotel buildings and all appurtenances thereon; Hotel “VITS” at Andheri (East); hotel property at Lotus Goa, land & building belonging to promoter's company at Nagpur, hypothecation of all receivable and current assets of the Company, Orchid Hotels Pune Private Limited (OHPPL), Mahodadhi Palace Private Limited (MPPL), Ilex Developers and Resorts Limited (IDRL), Plaza Hotels Private Limited (PHPL) & Savarwadi Rubber Agro Private Limited (SRPL); Pledge of equity shares of the Company held by promoters and promoter companies, pledge of equity shares held by the Company in subsidiaries & joint venture and Pledge of security held by promoter, promoter company and and other group company in Plaza Hotels Private Limited & IDRL.

Above NCDs are secured by corporate guarantee of subsidiaries, joint venture, PHPL, SRPL, Greenboom Developers & Resorts Limited, Vishal Amusements Limited & Kamat Development Private Limited and personal guarantee of Dr. Vithal V. Kamat and Mr. Vishal V. Kamat.

26.2 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. Nil (previous year: Rs. 28,646.95 lakhs) was 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 (promoter company) 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. Nil (previous year: Rs. 1,400.71 lakhs) was 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 loans from bank having carrying value of Rs. Nil (previous year: Rs. 2,135.56 lakhs) was 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 property, plant and equipments 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 (v) Post dates cheques; and (vi) Corporate guarantees of Plaza Hotels Private Limited and Vishal Amusement Limited.The sanctioned terms and the loan agreements do no mandate submission of periodic statement of current assets, hence the disclosure about the same is not applicable.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

26.3 Intercorporate loan amounting to Rs. 549.69 lakhs (Previous year: Rs. 211.09 lakhs), carrying interest rate of 11% p.a is repayable after 1 year from the end of current year.

26.4 Intercorporate loan amounting to Rs. 760.73 (Previous year: Rs. Nil lakhs) is repayable not later than 10 years from the date of disbursement of loan or earlier on availability of funds with the Company.

26.5 Based on repayment schedule of borrowings following is the maturity profile of dues/loan from debenture holder/banks/others.

Particulars	Maturity Profile as on 31st March 2023		Maturity Profile as on 31st March 2022	
	Next 1 year	2-5 Years	Next 1 year	2-5 Years
Term loan from banks	-	-	409.70	1,723.10
Term loan from Non Convertible Debenture Holders	13,864.05	15,556.18	-	-
Term loan from related party	-	760.73	-	-
Term loan from others	-	516.95	22,299.88	224.86
Total	**13,864.05**	**16,833.86**	**22,709.58**	**1,947.96**

26.6 One time settlement of outstanding loan with ARC's and with banks

During the previous year, the Company had proposed for settlement of outstanding loan and interest due to Asset Reconstruction Companies (ARCs), which was in-principle approved by the respective lenders. Further developments in this respect are as below:

During the year ended 31st March, 2023, the Company had settled and paid the dues of ARCs and obtained No Dues Certificates (NDC). The Company had accounted for settlement and derecognized the loan liability (principal and interest), the difference between liability as per books and the settlement amount is accounted as under :

- Rs. 7,773.47 lakhs is disclosed as "Exceptional Income (net of expenses)" and
- Rs. 2,451.51 lakhs is reversed from the finance cost for the year, the same pertains to finance cost accounted during current financial year 2022-23 (i.e. prior to the settlement).

In the opinion of the management, and in continuation of the view taken earlier, reporting for the event of default is not warranted and hence no intimation is required to be given to the stock exchange for unpaid loan instalments / settlement amounts till the date of settlements as required by SEBI circular dated 21st November, 2019. The statutory auditors have drawn attention on the said matter in their independent auditor's reports of earlier year.

26.7 Loans guaranteed by executive chariman and managing director and his relatives

Particulars*	As at 31st March 2023	As at 31st March 2022
Term loan from banks	-	2,145.29
Proceeds from Non-Convertible Debenture Holders	29,420.23	-
Term loan from others	-	30,047.66
Total	**29,420.23**	**32,192.95**

*Including interest outstanding.

27

Lease liabilities	As at 31st March 2023	As at 31st March 2022
Non current		
Lease rent (Refer note 52)	101.18	100.66
Total	**101.18**	**100.66**

28

Other financial liabilities	As at 31st March 2023	As at 31st March 2022
Non current		
Outstanding club membership deposit	9.92	14.66
Security deposits	64.35	52.35
Deposit from related party (Refer note 28.1)	34.11	30.19
Total	**108.38**	**97.20**

28.1 Security deposit received having carrying value of Rs. 80.00 lakhs as at 31st March 2023 (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. Unwinding of deferred lease liability arising out of the said fair valuation is being recognised on straight line basis. (Refer Note 37)

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

29

Provisions	**As at 31st March 2023**	**As at 31st March 2022**
Non current		
Provision for gratuity (Refer note 51(ii)(a))	254.61	243.69
Provision for leave benefit (Refer note 51(ii)(b))	147.07	132.36
Total	**401.68**	**376.05**

30

Deferred tax assets/ (liabilities)		**As at 31st March 2023**	**As at 31st March 2022**
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		3,859.89	3,623.41
Sales tax deposit paid under protest claimed as allowable expenses		2.52	2.52
Expenses on issue of NCDs		155.18	-
	Sub-total (A)	**4,017.59**	**3,625.93**
Deferred tax assets			
Carried forward losses as per Income Tax Act, 1961		1,584.93	1,569.12
Expense allowed on payment basis as per Income tax act, 1961		431.37	405.86
Provision for doubtful debts and advances		412.97	419.16
Lease expenses under IND AS 116		0.10	0.69
Fair value measurement of financial assets and liabilities (net)		605.18	590.50
	Sub-total (B)	**3,034.55**	**2,985.33**
Deferred tax assets/(liability)	**(A-B)**	**(983.04)**	**(640.60)**

30.1 Reconciliation of tax expenses and the accounting profit multiplied by applicable tax rate for 31st March 2023 and 31st March 2022:

Particulars	**As at 31st March 2023**	**As at 31st March 2022**
Profit / (loss) before tax (a)	26,516.71	(2,970.16)
Income tax rate as applicable (b)	25.17%	25.17%
Income tax liability/(asset) as per applicable tax rate (a X b)	6,673.72	(747.53)
(i) Income not taxable for tax purposes / expenses disallowed (net)	(6,339.20)	11.04
(ii) Tax expenses of earlier years	1.46	0.73
Tax expense reported in the Statement of Profit and Loss	**335.99**	**(735.76)**

Particulars	**As at 31st March 2023**	**As at 31st March 2022**
Other comprehensive income (a)	25.67	24.98
Income tax rate as applicable (b)	25.17%	25.17%
Income tax liability/(asset) as per applicable tax rate (a X b)	6.46	6.29
Tax expense/(credit) reported in Other comprehensive income	**6.46**	**6.29**

Note:

i) The Company offsets tax assets and liabilities 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.

ii) The management is of the view that the Company is not liable for income tax during the current financial year after considering judicial pronouncement and legal opinion as regards taxability of certain credit and allowability of certain items included in the financial statements.

31

Other non-current liabilities	**As at 31st March 2023**	**As at 31st March 2022**
Unamortized non-refundable membership deposit	229.90	304.37
Total	**229.90**	**304.37**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

32

Borrowings	As at 31st March 2023	As at 31st March 2022
Current		
Current maturities of long term borrowings (secured)	13,864.05	22,709.58
Total	**13,864.05**	**22,709.58**

33

Lease liabilities	As at 31st March 2023	As at 31st March 2022
Current		
Lease rent (Refer note 52)	9.36	12.23
Total	**9.36**	**12.23**

34

Trade payables	As at 31st March 2023	As at 31st March 2022
Outstanding dues of micro enterprises and small enterprises (Refer note 34.3).	123.55	141.21
Outstanding dues of creditors other than micro enterprises and small enterprises		
- Others	1,682.51	1,602.59
- Related parties (Refer note 47)	186.24	91.37
Total	**1,992.30**	**1,835.17**

34.1 Trade payables ageing schedule as at 31st March, 2023:

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) MSME	77.65	45.90	-	-	-	123.55
ii) Others	441.58	1,118.00	143.74	45.12	120.31	1,868.75
Total	**519.23**	**1,163.90**	**143.74**	**45.12**	**120.31**	**1,992.30**

34.2 Trade payables ageing schedule as at 31st March, 2022:

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) MSME	35.66	24.52	13.20	67.82	-	141.21
ii) Others	397.32	749.97	232.93	127.10	186.64	1,693.96
Total	**432.98**	**774.49**	**246.13**	**194.92**	**186.64**	**1,835.17**

34.3 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 2023	As at 31st March 2022
Dues remaining unpaid at the year end:		
(a) The principle amount remaining unpaid to supplier as at the end of the accounting year	123.55	141.21
(b) The interest thereon remaining unpaid to supplier as at the end of the accounting year	116.57	108.70
(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	7.87	21.79
(e) Amount of interest accrued and remaining unpaid at the end of the accounting year	116.57	108.70
(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	0.97	4.24

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

35

Other financial liabilities	As at 31st March 2023	As at 31st March 2022
Current		
Interest accrued but not due	-	9.73
Interest accrued and due:		
- To banks and others	53.08	7,736.77
- On bond deposit	102.03	106.76
Current maturity of outstanding membership deposit	1,171.23	1,187.74
Interest payable to MSME (Refer note 34.3)	116.57	108.70
Creditors for capital expenditure	69.34	47.01
Security deposit	44.82	45.94
Other payables *	496.05	349.30
Total	**2,053.12**	**9,591.95**

*Other payables mainly consist of employee related dues and other accrued expenses.

36

Other current liabilities	As at 31st March 2023	As at 31st March 2022
Advance from customers	375.41	214.36
Unamortized non-refundable membership deposit	74.47	74.47
Income received in advance (others)	8.19	4.54
Deferred income on club deposits	1.14	2.05
Deferred advance rentals on security deposits	25.21	28.81
Statutory dues	1,861.40	1,635.44
Total	**2,345.82**	**1,959.67**

37

Provisions	As at 31st March 2023	As at 31st March 2022
Current		
Provision for gratuity (Refer note 51(ii)(a))	44.41	41.77
Provision for leave benefit (Refer note 51(ii)(b))	51.04	65.99
Total	**95.45**	**107.76**

38

Revenue from operations	Year ended 31st March 2023	Year ended 31st March 2022
Sale of services		
Room income	13,109.18	5,719.30
Food and beverage income	7,666.88	4,041.40
Sub-total	**20,776.06**	**9,760.70**
Other operating revenue		
Income from time share business	143.57	185.59
Management and consultancy fees	439.83	224.90
Swimming and health club	59.23	30.33
Conference and banqueting services	618.03	326.57
Internet and telephone	0.58	0.62
Laundry services	45.06	22.86
Herbal sheesha services	14.59	-

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

Revenue from operations	**Year ended 31st March 2023**	**Year ended 31st March 2022**
Car rental and transportation	47.67	16.90
Membership fees	-	22.87
Miscellaneous services	88.81	44.91
License fees - shops and offices	84.53	84.94
Excess provision for expected credit loss written back	17.70	-
Liabilities and provisions written back	23.88	97.49
Sub-total	**1,583.48**	**1,057.98**
Total	**22,359.54**	**10,818.68**

39	**Other income**	**Year ended 31st March 2023**	**Year ended 31st March 2022**
	Interest income on financial assets at amortised cost		
	- on fixed deposit with bank	22.38	13.21
	- on others	4.74	5.20
	- on loan to subsidiary, JV & Related party	489.69	-
	Net gain on fair value changes of financial assets measured at amortised cost	1.42	-
	License fees - other properties	124.70	41.00
	Insurance claim received	55.90	-
	Miscellaneous income	30.75	1.18
	Total	**729.58**	**60.59**

40	**Cost of food and beverage consumed**	**Year ended 31st March 2023**	**Year ended 31st March 2022**
	Opening stock	114.00	80.92
	Add: Purchases	1,794.73	1,118.33
		1,908.73	1,199.25
	Less: Closing stock	142.97	114.00
	Total	**1,765.76**	**1,085.25**

41	**Employee benefits expense**	**Year ended 31st March 2023**	**Year ended 31st March 2022**
	Salaries, wages and bonus	3,070.23	2,084.22
	Contribution to provident and other funds	162.70	123.96
	Gratuity expense (Refer note 51(ii)(a))	58.71	55.64
	Leave benefit expense (Refer note 51(ii)(b))	38.32	9.37
	Staff welfare expenses	217.51	142.55
	Total	**3,547.47**	**2,415.74**

42	**Finance costs**	**Year ended 31st March 2023**	**Year ended 31st March 2022**
	Interest expense at effective interest rate on borrowings which are measured at amortized cost	1,715.85	4,304.05
	Other borrowing costs	179.36	423.32
	Fair value changes in financial liabilities (measured at amortized cost)	1.28	1.20
	Interest expense on lease liabilities (Refer note 52)	24.75	24.19
	Total	**1,921.24**	**4,752.76**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

43	Other expenses	Year ended 31st March 2023	Year ended 31st March 2022
	Operating expenses		
	Heat, light and power	1,190.28	818.73
	Rent (Refer note 52)	158.91	118.47
	Licenses, rates and taxes	442.24	406.38
	Repairs expenses for		
	- Buildings	365.38	146.74
	- Plant and machinery	402.40	287.70
	- Others	178.79	125.96
	Expenses on apartments and boards	730.59	574.78
	Replacements of crockery, cutlery, linen, etc.	238.97	117.19
	Washing and laundry expenses	173.74	84.37
	Water charges	174.69	106.09
	Band and music expenses	193.42	90.01
	Management license fees and royalty	486.15	181.66
	Sub total (A)	**4,735.56**	**3,058.08**
	Sales and marketing expenses		
	Advertisement, publicity and sales promotion	192.44	139.56
	Travel agents' commission	1,302.67	464.86
	Other commission and charges	167.79	58.02
	Sub total (B)	**1,662.90**	**662.44**
	Administrative and general expenses		
	Communication expenses	112.66	110.68
	Printing and stationery	127.37	49.47
	Legal, professional and consultancy charges	932.17	142.89
	Directors' sitting fees	6.25	4.75
	Travelling and conveyance	280.78	193.89
	Insurance	91.25	72.86
	Bad debts (net)	6.90	-
	Less: Provision for expected credit loss	(6.90)	-
		-	-
	Provision for expected credit loss	-	126.96
	Net loss on fair value changes of financial assets measured at amortised cost	0.53	0.35
	Auditors' remuneration (Refer note 43.2)	23.05	22.75
	Sales Tax/Vat /Luxury Tax etc. including assessment dues	0.53	1.87
	Loss on sale / discard of property, plant and equipment (Net)	6.65	3.88
	Miscellaneous expenses	161.85	141.48
	Sub total (C)	**1,743.09**	**871.83**
	Total (A+B+C)	**8,141.55**	**4,592.35**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

43.1 During the current year and previous year, the Company is not liable to spend any amount towards Corporate Social Responsibility.

43.2

Auditors' remuneration	Year ended 31st March 2023	Year ended 31st March 2022
Statutory audit fees	20.00	20.00
Tax audit fees	2.80	2.75
Other service	0.25	-
Total	**23.05**	**22.75**

Note: Above fees are excluding of goods and service tax (GST).

44

Exceptional items - Income / (expense)	Year ended 31st March 2023	Year ended 31st March 2022
Income:		
Gain on settlement to secure lender (net of expenses) (Refer note 26.4)	7,773.47	-
Provision for doubtful loans to Subsidiaries no longer required, written back (Refer Note 12.3)	6,000.00	-
Gain on reversal of provision for impairment of investments in subsidiary (Refer Note 10.1)	5,000.00	-
Profit on Sale of Investment Property	1,038.54	-
Total income- (net)	**19,812.01**	**-**

45 Capital commitments, other commitments, contingent liabilities and contingent assets

45.1 Capital Commitments.

(a) Estimated amount of capital commitments to be executed on capital accounts and not provided for Rs. 48.42 lakhs as at 31st March 2023 (Previous year: Rs. 1.64 lakhs) (Net of advances).

45.2 Other significant commitments.

(a) The Company had put up Sewage Treatment Plant ("STP") on an adjacent immovable property owned by Savarwadi Rubber Agro Private Limited (previously known as 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 debenture holders for mandatory redemption to the extent of 100% of sale proceeds or Rs. 12,500 lakhs (whichever is lower) out of the proceeds from sale of certain specified assets (if sold).

45.3 Contingent liability (to the extent not provided for)

Particulars	As at 31st March 2023	As at 31st March 2022
(i) Claims against the Company/ disputed liabilities not acknowledged as debts		
Disputed indirect tax demands (Including amount paid under protest of Rs. 22.22 lakhs) (Previous year: Rs. 22.22 lakhs)	494.37	539.66
Disputed direct tax demand	4,987.28	4,830.78
Claims against the Company not acknowledged as debts (including employee claims)	629.01	627.83
(ii) Other money for which the Company is contingently liable		
Contingencies in respect of assigned loan (Also refer note 47.3)	-	35,243.55
Open import license	55.70	53.68

In respect of (i) 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.

45.4 Other litigations

Refer note 15.1 in respect of dispute regarding Bandra Kurla Project.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

45.5 Contingent asset (to the extent not recognised)

Particulars	As at 31st March 2023	As at 31st March 2022
Tax subsidy receivable from MTDC under Package Scheme of Incentives (Since received Rs 16.36 lakhs)	26.97	26.97

46 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 2023	As at 31st March 2022
	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	India	100%	100%
	Joint venture entity			
(vi)	Ilex Developers & Resorts Limited	India	32.92%	32.92%

47 Disclosures as required by Indian Accounting Standard (Ind AS) 24 - Related Party Disclosures

47.1 Name and relationships of related parties:

(a)	Subsidiaries and joint ventures		Refer note 46 above
			Part I
(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^, Savarwadi Rubber Agro Private Limited, Kamats Development Private Limited, Talent Hotels Private Limited, Treeo Resort Private Limited, Nagpur Ecohotel Private Limited^, VITS Hotels (Bhubaneshwar) Private Limited^, Envotel Hotels Himachal Private Ltd (Formerly known as Orchid Hotels Himachal Private Limited)
(c)	Key Management Personnel [KMP & director]:	Executive Chairman & Managing Director	Dr. Vithal V. Kamat
		Non Executive Director	Ms. Vidita V.Kamat (w.e.f. 29th September, 2020)
			Mr. Sanjeev Rajgarhia (w.e.f. 28th August, 2020)
		Independent Director	Mr. Vilas R. Koranne (w.e.f. 29th June 2021)
			Ms. Harinder Pal Kaur (w.e.f. 15th May, 2020)
			Mr. Ramnath P. Sarang (w.e.f. 27th May, 2019)
(d)	Relatives of KMP		Mrs.Vidhya V. Kamat [Wife of KMP]
	(Only where there are transactions)		Mr. Vikram V. Kamat [Son of KMP]
			Mrs. 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]

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

(e)	Post employment benefit plans		Kamat Hotels (India) Limited - Employees Gratuity Trust
(f)	Key management personnel as per Companies Act, 2013.	Chief Financial Officer	Mrs. Smita Nanda
		Company Secretary	Mr. Hemal Sagalia (from 29th June 2021 to 10th March 2023)
			Ms. Ruchita Shah (from 8th February 2021 to 13th May 2021)

^ These entities are merged with Vishal Amusements Private Limited w.e.f. 16th May 2018.

47.2 Transactions with related parties

Nature of transaction	Name of the party	Year ended 31st March 2023	Year ended 31st March 2022
Management fees - income	Orchid Hotels Pune Private Limited	223.45	115.07
Supply of guest items / PPE items		7.30	0.20
Incentive fees		100.84	59.93
Reimbursement of staff deputation expenses received		205.01	74.24
Amount recovered towards services		588.70	314.08
Temporary loan received		1,150.00	270.00
Repayment of temporary loan		1,150.00	270.00
Loan recovered during the year		2,996.00	-
Loan given during the year		15,150.00	-
Release of corporate guarantee given on behalf of subsidiary		21,500.00	-
Release of corporate guarantee provided by subsidiary company on behalf of Company		24,755.00	-
Taxes recovered on corporate guarantee commission		6.46	7.84
Amount payable towards tax on Commission related Corporate Guarantee		7.97	9.67
Provision for doubtful loans no longer required written back (net of loan waiver of Rs. 13,646 lakhs)		6,000.00	-
Reversal of provision for impairment of investments		5,000.00	-
Interest earned		365.20	-
Reimbursement of expenses (net)		25.45	8.18
Management fees - expense	Mahodadhi Palace Private Limited	55.73	23.18
Provision for interest receivable		-	3.62
Management fees - income	Ilex Developers & Resorts Limited	14.92	6.24
Laundry service expense		3.33	2.15
Amount recovered towards services (net of payments)		22.58	22.26
Taxes recovered on corporate guarantee commission		0.19	0.24
Release of corporate guarantee given by Company on behalf of Joint Venture		1,000.00	-
Release of security given for loan taken by Company (to the extent of outstanding loan)		799.68	-
Amount payable towards tax on commission related corporate guarantee		0.21	0.35
Loan given during the year		1,260.00	-
Interest earned		44.19	-
Reimbursement of expenses (net)		13.65	6.61

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

Nature of transaction	Name of the party	Year ended 31st March 2023	Year ended 31st March 2022
Royalty expense for leasehold land	Plaza Hotels Private Limited	364.80	95.30
Loan given during the year		2,290.00	-
Loan taken during the year		295.75	-
Interest paid		7.22	-
Issue of share warrants / equity share		634.58	-
Interest earned		80.31	-
Amount payable towards tax on Commission related Corporate Guarantee		1.91	2.29
Transfer of materials	Envotels Hotels Himachal Private Limited	-	0.03
Management fees - income		-	2.06
Reimbursement of expenses (net)		-	0.04
Amount payable towards tax on Commission related Corporate Guarantee	Vishal Amusements Limited	0.16	0.20
Reimbursement of expenses	Fort Jadhavgadh Hotels Private Limited	1.08	-
Interest paid	Talent Hotels Private Limited	15.40	-
Loan taken during the year		1,122.44	-
Loan repaid during the year		657.46	-
Royalty expenses	Dr.Vithal V.Kamat	7.36	4.34
Issue of share warrants/ equity share		571.19	-
Issue of share warrants	Mr.Vishal V.Kamat	142.98	-
Remuneration paid		59.21	48.16
Issue of share warrants	Mrs. Vidhya Kamat	142.97	-
Directors sitting fees	Mr. Ramnath Sarang	1.50	1.00
	Mrs. Harinder Pal Kaur	1.25	1.00
	Mr. Sanjeev B. Rajgarhia	1.25	1.00
	Ms. Vidita Kamat	1.00	1.00
	Mr.Vilas Ramchandra Koranne	1.25	0.75
Contribution to post employment benefit plan	Kamat Hotels (India) Limited - employees gratuity trust	19.48	12.13

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

47.3 Related party outstanding balances:

Nature of transaction	Name of the party	As at 31st March 2023	As at 31st March 2022
Investment in equity shares	Orchid Hotels Pune Private Limited	9,327.75	9,327.75
Provision for impairment of investment		4,327.75	9,327.75
Advance given		3,300.00	19,646.40
Provision for impairment of advance given		-	19,646.40
Advance given during the year		14,854.00	-
Interest receivable on above advance		328.68	-
Trade Receivable		70.81	53.10
Trade Payable		10.12	-
Corporate guarantee given on behalf of subsidiary		-	21,500.00
Corporate guarantee provided by subsidiary company on behalf of Company		-	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
Provision for doubtful debts on above interest receivable		3.62	3.62
Trade payable		63.02	8.38
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 taken (Gross carrying value)		80.00	80.00
Trade receivable (net)		6.65	2.18
Advance given		1,260.00	-
Interest receivable on above advance		39.77	-
Corporate guarantee given by Company on behalf of Joint Venture		-	1,000.00
Security given for loan taken by Company (to the extent of outstanding loan)		-	799.68
Deposit given under business contract agreements	Plaza Hotels Private Limited	8,000.00	8,000.00
Trade payable		234.37	85.08
Advance given		2,290.00	-
Interest receivable on above advance		72.28	-
Advance taken		295.75	-
Interest payable on above advance		6.50	-
Undertaking given towards repayment of loan taken by the Company		-	1,837.92
Undertaking given towards repayment of loan taken by the Company	Talent Hotels Private Limited	-	2,375.26
Advance taken		464.98	-
Interest payable on above advance		13.86	-
Trade Payable	Fort Jadhav Gadh Hotels Private Limited	1.08	-
Investment in equity shares		1.00	1.00

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

Related party outstanding balances: (Contd.)

Nature of transaction	Name of the party	As at 31st March 2023	As at 31st March 2022
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	2.86	1.10
Pledge of shares for term loan taken by the Company		-	1,527.37
Pledge of shares for term loan taken by the Company	Vishal Amusements Limited	-	848.68
Amount payable		0.16	0.20

Notes:

Transactions with related parties and outstanding balances at the year end are disclosed at transaction value/ carrying value. 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 to banks/ others for credit facilities availed by the Company [Share of respective entities/ persons is not quantifiable], which is released during the year ended 31st March, 2023.

(ii) Mahodadhi Palace Private Limited, Kamats Restaurant (India) Private Limited, Fort Jadhav Gadh Hotels Private Limited, Ilex Developers & Resorts Limited, Plaza Hotels Private Limited, Kamat Development Private Limited, Orchid Hotels Pune Private Limited, Orchid Hotels Eastern (India) Private Limited, Savarwadi Rubber Agro Private Limited, Greenboom Developers & Resorts Limited, Vishal Amusements Limited, Dr. Vithal V. Kamat, Mr. Vishal V. Kamat have given joint corporate/personal guarantee amounting to Rs. 29,750.00 lakhs against issue of Secure 14% Rated Listed Redeemable Non Convertible Debentures face value of Rs. 1 lakhs each .[Share of respective entities/ persons is not quantifiable].

(iii) Securities held by promoter, promoter company and others in Mahodadhi Palace Private Limited, Kamats Restaurant (India) Private Limited, Fort Jadhav Gadh Hotels Private Limited, Ilex Developers & Resorts Limited, Plaza Hotels Private Limited, Orchid Hotels Pune Private Limited, Orchid Hotels Eastern (India) Private Limited, pledge with debenture trustee to secure 29,750 14% Secured Rated Listed Redeemable Non Convertible Debentures face value of Rs. 1 lakhs each.

(iv) Plaza Hotels Private Limited has mortgaged its property situated at Vile Parle East Mumbai as security in favour of debenture trustee to secure 29,750 14% Secured Rated Listed Redeemable Non Convertible Debentures face value of Rs. 1 lakhs each.

(v) Mahodadhi Palace Private Limited, Ilex Developers & Resorts Limited, Plaza Hotels Private Limited, Savarwadi Rubber Agro Private Limited & Orchid Hotels Pune Private Limited, have hypothecated its current asset and all receivable with debenture trustee to secure 29,750 14% Secured Rated Listed Redeemable Non Convertible Debentures face value of Rs. 1 lakhs each.

(vi) Plaza Hotels Private Limited, Vishal Amusements Limited, Dr Vithal V. Kamat, Mr Vishal V. Kamat had given joint corporate/personal guarantee amounting to Rs. 2,135.56 lakhs to bank for credit facilities availed by the Company [Share of respective entities/ persons is not quantifiable], which is released during the year ended 31st March, 2023.

(vii) KMP, relatives of KMP and entities in which KMP has significant influence have pledged equity shares held by them in the Company and other specified investments to the trustee against issue of Secure 14% Rated Listed Redeemable Non Convertible Debentures by Company. (Refer note 26)

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. In case of advances given to wholly owned subsidiary MPPL, Company has waived interest. For the year ended 31st March 2023, 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 MPPL 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.

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.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

(a) Compensation to KMP as specified in para 47.1(c) above:

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Sitting fees	6.25	4.75
Total	**6.25**	**4.75**

(b) Compensation to KMP as specified in para 47.1 (f) above:[Other than given in 48(a)]

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Short term employee benefits*		
Mrs. Smita Nanda	28.43	22.12
Ms. Ruchita Shah	-	1.34
Mr. Hemal Sagalia	14.72	9.67
Total	**43.15**	**33.13**

*As the liabilities for defined benefit plans are provided on actuarial basis for all the employees, the amounts pertaining to Key Management Personnel are not seperately identified and hence not included.

49 Earnings per share

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Basic and diluted earning per share		
Profit / (Loss) attributable to the equity holders of the Company	26,180.72	(2,234.40)
Weighted average number of equity shares (Excluding forfeited shares)	2,36,48,479	2,35,84,058
Face value per equity share (Rs.)	10	10
Basic and diluted earnings per share	110.71	(9.47)

49.1 Refer note 25.5 for potential share transaction

50 Ratio Analysis

Ratio	Numerator	Denominator	31st March 2023	31st March 2022	% of variance	Reason for variance
Current Ratio	Current Assets	Current Liabilities	0.20	0.07	202.51%	Due to repayment of current maturities of long term borrowings during the year
Debt-Equity Ratio	Total Debts	Shareholder's Equity	1.26	NA	NA	The company has positive earning during the year, which increased other equity, resulted in positive debt equity ratio
Debt Service Coverage	Earning available for Debts Service	Debt Service	0.37	0.45	-18.01%	Due to repayment of long term borrowings
Return on Equity	Net profit after Tax-Pref. Div. if any	Average Shareholder Equity	0.26	NA	NA	Due to increase in profit during the year
Inventory Turnover Ratio	Cost of Goods Sold	Average Inventory	8.17	6.41	27.39%	Increase in volume of business and reduction in average inventory.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

Ratio	Numerator	Denominator	31st March 2023	31st March 2022	% of variance	Reason for variance
Trade receivables turnover	Net Credit Sales	Avg. Account Receivable	26.66	14.59	82.73%	Increase in revenue
Trade payables turnover	Net Credit Purchases	Avg. Trade Payables	0.94	0.56	67.47%	Increase in purchases and reduction in average trade payables.
Net Capital Turnover Ratio	Net Sales	Working Capital	(1.38)	(0.32)	-330.53%	Increase in current liability
Net Profit Ratio	Net Profit	Net Sales	0.28	(0.21)	235.63%	Increase in net profit
Return on capital employed	Earning before Int. & Taxes	Capital Employed	0.16	0.09	74.22%	Increase in operational performance and reduction in debt.
Return on investment (Quoted and Unquoted Investments)	Earnings	Investments	0.05	(0.02)	346.61%	Due to increase in fair value of investments
Return on investment (Fixed Deposit)	Earnings	Investments	0.89	0.02	4349.30%	During the year investment in fixed deposit has increased.

50.1 Exceptional income is not considered while calculating the above ratios, in order to make the ratios comparable.

51 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	2022-2023	2021-2022
Provident fund	53.25	45.89
Pension fund	84.97	59.65
Employees' state insurance (ESIC)	24.10	18.15
Labour welfare fund	0.37	0.26
Total	**162.69**	**123.95**

(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.

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.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

For determination of the liability in respect of compensated gratuity, the Company has used following actuarial assumptions:

Particulars	2022 - 2023	2021 - 2022
Discount rate (per annum)	7.30%	6.40%
Rate of Return on Plan Assets (per annum)	7.30%	6.45%
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 (2012-14)

The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The discounting rate is based on material yield on government bonds having currency and terms consistent with the currency and terms of post-employment benefit obligations. The overall expected rate of return on assets is based on the LIC structure of interest rates on gratuity funds.

Changes in the present value of obligations	2022 - 2023	2021 - 2022
Liability at the beginning of the year	331.41	369.67
Interest cost	18.83	20.17
Current service cost	41.77	40.80
Benefits paid	(34.56)	(73.37)
Actuarial (gain)/loss on obligations	(25.01)	(25.86)
Liability at the end of the year	**332.44**	**331.41**

Changes in the fair value of plan assets	2022 - 2023	2021 - 2022
Opening fair value of plan assets	45.95	102.74
Expected return on plan assets	1.90	5.33
Employers contribution	19.48	12.13
Benefits paid	(34.56)	(73.37)
Actuarial gain/(loss) on plan assets	0.66	(0.88)
Closing fair value of plan assets	**33.43**	**45.95**

Table of recognition of actuarial gain / loss	2022 - 2023	2021 - 2022
Actuarial (gain)/ loss on obligation for the year	(25.01)	(25.86)
Actuarial (gain) / loss on assets for the year	(0.66)	0.88
Actuarial (gain)/ loss recognised in other comprehensive income	**(25.67)**	**(24.98)**

Breakup of actuarial (gain) /loss:	2022 - 2023	2021 - 2022
Actuarial loss arising from change in financial assumption	(14.55)	(5.81)
Actuarial loss/(gain) arising from experience	(10.45)	(20.05)
Actuarial (gain) / loss on assets for the year	(0.66)	0.88
Total	**(25.66)**	**(24.98)**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

Liability recognized in the Balance Sheet:	**As at 31st March 2023**	**As at 31st March 2022**
Liability at the end of the year	332.44	331.41
Fair value of plan assets at the end of the year	(33.43)	(45.95)
Liability recognized in Balance Sheet	**299.01**	**285.46**

Expenses recognized in the Income Statement:	**2022 - 2023**	**2021 - 2022**
Current service cost	41.77	40.80
Interest cost	18.83	20.17
Expected return on plan assets	(1.90)	(5.33)
Actuarial (Gain)/Loss	(25.67)	(24.98)
Expense/ (income) recognized in		
- Statement of Profit and Loss	58.71	55.64
- Other comprehensive income	(25.67)	(24.98)

Balance sheet reconciliation	**As at 31st March 2023**	**As at 31st March 2022**
Opening net liability	285.46	266.93
Expense recognised in Statement of Profit and Loss & OCI	33.04	30.66
LIC contribution by employer during the year	(19.48)	(12.13)
LIC funded	-	-
Amount recognized in Balance Sheet	**299.02**	**285.46**
Non current portion of defined benefit obligation	254.61	243.69
Current portion of defined benefit obligation	44.41	41.77

Sensitivity analysis of benefit obligation (Gratuity)

Particulars	**Year ended 31st March 2023**	**Year ended 31st March 2022**
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%	324.89	323.44
b) Impact due to decrease of 0.5%	340.37	339.78
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%	340.10	339.15
b) Impact due to decrease of 0.5%	325.06	323.69
c)Impact of change in withdrawal rate		
Present value of obligation at the end of the year		
a) Withdrawal rate increase of 10%	332.56	330.95
b) Withdrawal rate decrease 10%	332.25	331.84
d)Impact of change in mortality rate		
Present value of obligation at the end of the year		
a) Impact due to increase of 10%	332.52	331.45
b) Impact due to decrease of 10%	332.38	331.36

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

Maturity profile of defined benefit obligation

Particulars	As at 31st March 2023	As at 31st March 2022
Weighted average duration of the defined benefit obligation	4.97	5.15
Projected benefit obligation	332.44	331.41

Pay-out analysis

Particulars	As at 31st March 2023	As at 31st March 2022
1st year	76.52	74.29
2nd year	37.54	38.44
3rd year	49.38	35.04
4th year	37.84	44.35
5th year	36.81	32.61
Next 5 year pay-out (6-10 year)	143.19	135.93

(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	Year ended 31st March 2023	Year ended 31st March 2022
Discount rate	7.30%	6.40%
Salary escalation	6.50%	6.50%
Attrition rate	10.00%	10.00%
Mortality rate	Indian Assured lives Mortality (2012-14)	Indian Assured lives Mortality (2012-14)

The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The discounting rate is based on material yield on government bonds having currency and terms consistent with the currency and terms of post-employment benefit obligations. The overall expected rate of return on assets is based on the LIC structure of interest rates on gratuity funds.

Changes in the present value of obligations:	Year ended 31st March 2023	Year ended 31st March 2022
Liability at the beginning of the year	198.35	223.39
Interest cost	10.02	11.18
Current service cost	23.05	30.32
Benefits paid	(38.57)	(34.41)
Actuarial (gain)/loss on obligations	5.26	(32.13)
Liability at the end of the year	**198.11**	**198.35**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

Table of recognition of actuarial (gain) / loss :	Year ended 31st March 2023	Year ended 31st March 2022
Actuarial (gain)/loss on obligation for the year	5.26	(32.13)
Actuarial (gain)/loss on assets for the year	-	-
Actuarial (gain)/loss recognized in Statement of Profit and Loss	**5.26**	**(32.13)**

Breakup of actuarial (gain) /loss:	Year ended 31st March 2023	Year ended 31st March 2022
Actuarial loss arising from change in demographic assumption	-	1.35
Actuarial gain arising from change in financial assumption	(7.81)	(4.09)
Actuarial loss / (gain) arising from experience	13.07	(29.40)
Total	**5.26**	**(32.14)**

Amount recognized in the Balance Sheet:	As at 31st March 2023	As at 31st March 2022
Liability at the end of the year	198.11	198.35
Fair value of plan assets at the end of the year	-	-
Amount recognized in the Balance Sheet	**198.11**	**198.35**

Expenses recognized in the Statement of Profit and Loss:	Year ended 31st March 2023	Year ended 31st March 2022
Current service cost	23.05	30.32
Interest cost	10.02	11.18
Actuarial loss / (gain)	5.26	(32.14)
Expense recognized in Statement of Profit and Loss	**38.33**	**9.36**

Balance Sheet Reconciliation	As at 31st March 2023	As at 31st March 2022
Opening net liability	198.35	223.39
Expense recognised in Statement of Profit and Loss	38.33	9.36
Amount recognized in Balance Sheet	**198.11**	**198.35**
Non-current portion of defined benefit obligation	132.36	132.36
Current portion of defined benefit obligation	65.99	65.99

Sensitivity analysis of benefit obligation (Leave encashment)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
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%	194.04	177.79
b) Impact due to decrease of 0.5%	202.36	186.16
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%	202.38	186.13
b) Impact due to decrease of 0.5%	194.00	177.78
c)Impact of change in withdrawal rate		
Present value of obligation at the end of the year		
a) Withdrawal rate increase of 10%	198.49	181.85
b) Withdrawal rate decrease 10%	197.69	181.88
d)Impact of change in mortality rate		
Present value of obligation at the end of the year		
a) Impact due to increase of 10%	198.13	181.88
b) Impact due to decrease of 10%	198.09	181.86

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

Maturity profile of defined benefit obligation

Particulars	As at 31st March 2023	As at 31st March 2022
Projected benefit obligation	198.11	198.35

Pay-out analysis

Particulars	As at 31st March 2023	As at 31st March 2022
1st year	51.04	48.41
2nd year	27.35	24.29
3rd year	30.33	21.52
4th year	21.61	26.26
5th year	22.97	15.50
Next 5 year pay-out (6-10 year)	72.39	61.17

52 Leases

I) Company as lessee:

The Company has taken hotel property under cancellable leases. The Company has recognised management fees/ rent expenses of Rs. 579.44 lakhs during the year (Previous Year Rs. 236.95 lakhs) 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 2023.

b) For depreciation and carrying value of right of use asset, refer table below:

ROU asset	Carrying value as at year ended 31st March 2023	Depreciation for the year ended 31st March 2023
Land & building	391.65	14.30

ROU asset	Carrying value as at year ended 31st March 2022	Depreciation for the year ended 31st March 2022
Land & building	405.95	14.30

c) **Disclosure with respect to lease under Ind AS-116 Leases:**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Interest expense on lease liabilities	24.75	24.19
Lease expenses debited to lease liabilities	27.10	25.62
Total cash outflow for leases [incl. short term & low value leases]	27.10	25.62
Variable lease payments not considered in measurement of lease liabilities	579.44	236.95

d) As per Notice dated 26 April 2023, Odisha Tourism Development Corporation has extended the lease period till 24th February 2024.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

II) Where the Company is a lessor

The Company has given shops, office premises and hotel property under non-cancellable operating leases. The Company had recognised management fees or royalty income of Rs.209.23 lakhs (Previous year Rs. 125.94 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 2023	As at 31st March 2022
Not later than one year	158.05	98.18
Later than one year and not later than five years	264.42	138.48
Later than five years	-	0.52
	422.47	**237.18**

Total contingent rent income (in the form of management or royalty fees) recognised is Rs.14.92 lakhs (Previous year Rs. 6.24 lakhs).

Note:

With respect to hotel properties/ land given under lease/ operation and management arrangement, Company will receive 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 2023.

53 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 47 for corporate guarantee given and note 10 for investment in securities:

Name of the entity	As at 31st March 2023		As at 31st March 2022	
	Maximum amount outstanding	Balance outstanding	Maximum amount outstanding	Balance outstanding
Wholly owned subsidiaries				
Orchid Hotels Pune Private Limited	19,646.40	18,154.00	19,646.40	19,646.40
Mahodadhi Palace Private Limited	418.74	418.74	418.74	418.74

54 Assets classified as Held For Sale	As at 31st March 2023	As at 31st March 2022
Property, plant and equipment (Refer note 5)	8,372.50	-
Other intangible assets (Refer note 9)	3.87	-
Total	**8,376.37**	**-**

54.1 During the year ended 31st March, 2023, the Company has entered into a binding term sheet with a buyer agreeing to transfer one of the hotel properties at an agreed value of Rs. 12,500.00 lakhs on or before 12 months from the date of term sheet (i.e. 18th January, 2023). The Company has received Rs. 100.00 lakhs as advance as agreed in the said term sheet. The resultant gain on the said transaction will be accounted in the period / year in which final agreement is executed.

55 Note on statement of cash flows

i) The aggregate amount of outflow on account of direct taxes paid is Rs.354.18 lakhs (previous year inflow of Rs. 108.73 lakhs, net of paid) net of refund.

ii) Changes in financing liabilities arising from cash and non-cash changes:

Particulars	Opening	Cash Inflows / (outflows)	Non-cash changes		Closing
			Others	Interest accruals	
For the year ended 31st March 2023					
Borrowings (including interest dues)	32,404.04	3,683.71	-	5,336.76	30,750.99
Lease liabilities	112.89	(27.10)	-	24.75	110.54
For the year ended 31st March 2022					
Borrowings (including interest dues)	29,676.09	(1,585.08)	-	4,313.03	32,404.04
Lease liabilities	114.32	(25.62)	-	24.19	112.89

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

iii) Breakup of cash and cash equivalent is as given below:

Particulars	As at 31st March 2023	As at 31st March 2022
Cash and cash equivalent as per note 19	675.04	860.38
Net cash and cash equivalent as disclosed in cash flow statement above	**675.04**	**860.38**

56 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 2023 and 31st March 2022.

57 Loans or Advances in the nature of loans are granted to promoters and the related parties, which are repayable on demand

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoter	2,290.00	11%
Subsidiary	18,154.00	84%
Joint venture	1,260.00	6%

58 Going concern assumption

As per the standalone financial statement, current liabilities are significantly greater than the current assets as on 31st March, 2023 and 31st March, 2022. In the opinion of the management, considering the revival of hospitality business, positive networth as on 31st March, 2023, positive earnings before interest, taxes and depreciation (EBITDA) for the year ended 31st March, 2023 and year ended 31st March, 2022, increase in operations and profit during the current year, settlement of secured debts due to ARCs, settlement of loan given to subsidiary company which was fully provided in earlier year, reversal of provision for diminution in value of investment in subsidiary company (OHPPL), signing of term sheet for proposed sale of one of the hotel properties, issue of NCDs, considering the future business prospects and the fair value of the assets of the Company being significantly higher than the borrowings / debts, these standalone financial statement have been prepared on a going concern basis which contemplates realisation of assets and settlement of liabilities in the normal course of the Company's business.

59 COVID-19 impact

The Company's business during the previous year ended 31st March, 2022 was affected on account of third wave of COVID-19. During the current year, there was strong recovery in the hospitality business on account of pick up in leisure and business travel. The Company will continue to closely monitor the future economic conditions and assess its impact on financial performance. Therefore, results (before exceptional item) for the year ended 31st March, 2023 are not comparable with the financial statement for the corresponding period of the previous year.

60 Other Statutory Information

(i) The Company does not have any Benami property. No proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company has not advanced to or loaned to or invested funds in any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that such Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(iii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(iv) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as search or survey or any other relevant provisions of the Income Tax Act, 1961)(v) The Company has not been declared as a wilful defaulter as prescribed by Reserve Bank of India.

(vi) During the year, the Company did not have transactions with any company which was struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

61 The Company Secretary of the Company has resigned w.e.f. 10th March, 2023. The Company has taken appropriate steps to fill the vacancy, as required by section 203 of the Company Act, 2013.

62 Financial instruments - Accounting classifications & fair value measurement

(a) Financial instruments by category

Sr. No.	Particulars	31st March 2023			31st March 2022		
		Amortised Cost	FVTOCI	FVTPL	Amortised Cost	FVTOCI	FVTPL
A	**Financial assets**						
(i)	Non-current investments	-	-	17.98	-	-	17.72
(ii)	Non-current loans	-	-	-	-	-	-
(iii)	Other non-current financial assets	2,269.62	-	-	2,182.28	-	-
(iv)	Trade receivables (net)	815.68	-	-	861.70	-	-
(v)	Cash and cash equivalents	675.04	-	-	860.38	-	-
(vi)	Other bank balances	1,408.92			71.57		
(vii)	Other current financial assets	465.05	-	-	36.76	-	-
(viii)	Investments	-	-	7.55	-	-	6.61
(ix)	Loans	0.87	-	-	0.04	-	-
	Total financial assets	**5,635.18**	**-**	**25.53**	**4,012.73**	**-**	**24.33**
B	**Financial liabilities**						
(i)	Borrowings- non-current	16,833.86	-	-	1,947.96	-	-
(ii)	Lease liabilities - non-current	101.18	-	-	100.66	-	-
(iii)	Other non-current financial liabilities	108.38	-	-	97.20	-	-
(iv)	Trade payables	1,992.30	-	-	1,835.17	-	-
(v)	Borrowings-current	13,864.05			22,709.58		
(vi)	Lease liabilities - current	9.36	-	-	12.23	-	-
(vii)	Other current financial liabilities	2,053.12	-	-	9,591.95	-	-
	Total financial liabilities	**34,962.25**	**-**	**-**	**36,294.75**	**-**	**-**

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. 9,864.74 lakhs as on 31st March, 2023 (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, Borrowings, Financial liabilities, Trade payables, Current lease liabilities, Other current financial liabilities etc., 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:

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

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 2023		31st March 2022	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets					
Non-current investments	Level 1	0.14	0.14	0.06	0.06
Non-current investments	Level 2	17.84	17.84	17.66	17.66
Current investments	Level 1	7.55	7.55	6.61	6.61
Total financial assets		**25.53**	**25.53**	**24.33**	**24.33**

Notes:

(i) The Company has not disclosed the fair value of financial instruments such as trade receivables, trade payables, short term loans, deposits, borrowings etc, because their carrying amounts are reasonable approximation 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, 2023 and March 31, 2022.

(e) Financial / bank guarantee contracts

Particuars	As at 31st March 2023	As at 31st March 2022
(a) Corporate guarantee given to a bank in respect of credit facilities availed by Subsidiary Company	-	21,500.00
(b) Corporate guarantee given to a bank in respect of credit facilities availed by Joint Venture Company	-	1,000.00
(c) Corporate guarantee issued by the Company to secure bank guarantee obtained by the Company.	23.50	23.50

In respect of (a) above, fair value of financial guarantee contract is Rs. Nil for the reasons stated in note 47.3

63 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:

(a) Credit risk;

(b) Liquidity risk;

(c) Market risk

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

(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.

(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 2023	31st March 2022
Balance at the beginning	1,622.85	1,506.05
Less: Utilized	-	-
	1,622.85	1,506.05
Add/(Less): Provision for ECL made in the year / (written back)	(24.60)	116.80
Balance at the year end	**1,598.25**	**1,622.85**

(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. The Company is also taking the various measures to overcome the challenges posed by the COVID-19 pandemic as explained in note 58 and 59.

(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 2023				
Borrowings	13,864.05	16,833.86	-	30,697.91
Lease liabilities	9.36	36.17	65.01	110.54
Trade payables	1,992.30	-	-	1,992.30
Other financial liabilities	82.43	-	25.95	108.38
Other current financial liabilities	2,053.12	-	-	2,053.12
As at 31st March 2022				
Borrowings	22,709.58	1,947.96	-	24,657.54
Lease liabilities	12.23	43.95	56.71	112.89
Trade payables	1,835.17	-	-	1,835.17
Other financial liabilities	74.03	-	23.17	97.20
Other current financial liabilities	9,591.95	-	-	9,591.95

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

(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.

(i) **Interest Rate Risk**

The term loans taken by the Company in earlier years from bank and others (including loan assigned by banks on one time settlement) have been repaid during the year under settlement. With respect to secured loan taken from Non Convertible Debenture Holders 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.

64 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 2023	As at 31st March 2022
Total debt*	30,697.91	24,657.54
Total capital (total equity shareholder's fund)	24,315.58	(4,091.69)
Net debt to equity ratio	1.26	NA

* 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

Milan Mody
Partner
Membership No : 103286

Place: Mumbai
Date: 27th May, 2023

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

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

Ramnath P. Sarang
Director
(DIN : 02544807)

Smita Nanda
Chief Financial Officer

Place: Mumbai
Date: 27th May, 2023

Independent Auditors' Report

To,
The Members of
Kamat Hotels (India) Limited

Report on the audit of consolidated financial statements

Opinion

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, 2023, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows 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, 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 the state of affairs of the Group as at 31st March, 2023, and its consolidated profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis of 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 consolidated financial statements section of our report. We are independent of the Group and Joint Venture Entity in accordance with the Code of Ethics issued by the Institute of Chartered Accountants ("ICAI") together 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 the rule made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

Reference is invited to note 56 of the consolidated financial statements, current liabilities are significantly greater than the current assets as on 31st March, 2023 and 31st March, 2022. In the opinion of the management, considering the revival of hospitality business, positive networth as on 31st March 2023, positive earnings before interest, taxes and depreciation (EBITDA) for the year ended 31st March, 2023 and year ended 31st March, 2022 , increase in operations and profit during the current year at consolidated level, signing of term sheet for proposed sale of one of the hotel properties of the Holding Company and issue of NCDs by the Holding Company. In view of the above and in the opinion of management, the consolidated financial statements have 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' paragraph given above was also reported in our independent auditor's report of earlier financial years. Our opinion was not modified in respect of above matter in the earlier years also.

Emphasis of matters

Attention is invited to note 35.1 of the consolidated financial statements in respect of dispute over lease rent levied by Director of Sports, pertaining to the period from 1st November, 2014 to 31st March, 2023. The Subsidiary Company Orchid Hotels Pune Private Limited (OHPPL) has accounted for the liability amounting to Rs. 1,795.49 lakhs. Further, during the earlier year, the Hon'ble Bombay High Court had appointed sole arbitrator to resolve the disputes. Interest / penalty, if any, will be accounted in the period / year in which dispute will be resolved.

Our opinion is not modified in respect of above matter. In respect of above matter, attention was also drawn by us in our earlier limited review reports / independent auditor's report. Our conclusion / opinion was not modified in respect of above matter in earlier quarters / years.

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. We have determined that there are no Key Audit Matters to communicate in our audit report except the matter discribed in "Material Uncertainty Related to going concern" paragraph.

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 identified above when it becomes available 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 is responsible for the matters stated in Section 134(5) of 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 read with the Companies (Indian Accounting Standard) Rules, 2015 as amended from time to time.

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 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 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 the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 for the aforesaid consolidated financial statements.

   b) 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 Statement of Cash Flows 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) In our opinion, the consolidated financial statements comply with the Ind AS prescribed under Section 133 of the Act read with relevant rules made thereunder.

   e) The matters described in 'Material Uncertainty related to Going Concern' paragraph and 'Emphasis of Matter' paragraph, in our opinion may have an adverse impact on the functioning of the Group and JV.

   f) On the basis of the written representations received from the directors of the Holding Company, Subsidiaries and Joint Venture Entity as on 31st March, 2023 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, 2023 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 Group and JV and the operating effectiveness of such controls, refer to our separate report in "Annexure B" which is based on the auditor's reports of the companies included in the Group and JV. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Group and JV's internal financial controls over financial reporting.

   h) 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 / provided by the Group and JV to its directors during the year is in accordance with the provisions of Section 197 of the Act.

   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 impact of pending litigations, if any, on its financial position has been disclosed in consolidated financial statements - Refer note 15.1, 35.1, 43.1, 43.2, and 45.3.

      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 the Group and JV.

      iv. The respective management of the Group and JV has represented that,

         a) no funds have been advanced or loaned or invested by the Group and JV to or in any other person(s) or entities, including foreign entities ('Intermediaries'), with the understanding that the intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the Group and JV ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of ultimate beneficiaries.

b) no funds have been received by the Group and JV from any person(s) or entities including foreign entities ('Funding Parties') with the understanding that such Group and JV shall whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party ('Ultimate Beneficiaries') or provide guarantee, security or the like on behalf of the Ultimate beneficiaries.

Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that causes us to believe that the above representations given by the management contain any material misstatement.

v. The Group and JV has not declared or paid dividend during the year. Hence our comments on compliance with section 123 of the Companies Act 2013 does not arise.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable for the Group and JV only with effect from April 1, 2023, reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 is not applicable in the current year.

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

Milan Mody
Partner
Membership No.: 103286
UDIN: 23103286BGPZMQ8819

Place: Mumbai
Date: 27th May, 2023

Annexure A to the Independent Auditor's Report for the year ended 31st March 2023

With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order" / "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, we state that there are no unfavorable remarks, qualifications or adverse remarks reported under CARO for subsidiaries except as mentioned below:

Sr. No.	Name	CIN	Holding Company / Subsidiary / JV	Clause number of the CARO report
1.	Kamat Hotels (India) Limited	L55101MH1986PLC039307	Holding Company*^	3(i)(c), 3 (iii)(b), 3(iii)(c), 3(iii)(f), 3(vii)(a), 3(ix)(a), 3(xiv)(a)
2.	Orchid Hotels Pune Private Limited	U55101MH2007PTC170188	Subsidiary^	3(vii)(a), 3(ix)(a), 3(xiv)(a)
3.	Mahodadhi Palace Private Limited	U55101MH2010PTC201685	Subsidiary*#	3(vii)(a)
4.	Orchid Hotels Eastern (I) Private Limited	U55101MH2012PTC237229	Subsidiary	-
5.	Kamats Restaurant (India) Private Limited	U55204MH2011PTC215698	Subsidiary*#	-
6.	Fort Jadhavgadh Hotels Private Limited	U55101MH2012PTC227175	Subsidiary*#	-
7.	Ilex Developers and Resorts Limited	U70102MH2008PLC184194	JV*	3(vii)(a), 3(ix)(a)

*In respect of these Companies, also refer clause (xvii) of paragraph 3 of the Order of respective Auditor's report.

#In respect of these Companies, also refer clause (xix) of paragraph 3 of the Order of respective Auditor's report.

^In respect of these Companies, also refer clause (vii)(b) of paragraph 3 of the Order of respective Auditor's report.

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

Milan Mody
Partner
Membership No.: 103286
UDIN: 23103286BGPZMQ8819

Place: Mumbai
Date: 27th May, 2023

Annexure B to the Independent Auditor's Report for the year ended 31st March 2023

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 Kamat Hotels (India) Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its Joint Venture (JV) as of and for the year ended 31st March, 2023, we have audited the internal financial controls over financial reporting of the Group and its JV.

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, 2023, 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.

Auditor's 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

Milan Mody
Partner
Membership No. 103286
UDIN: 23103286BGPZMQ8819

Place: Mumbai
Date: 27th May, 2023

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2023

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

	Particulars	Note no.	As at 31st March 2023	As at 31st March 2022
	ASSETS			
A	**Non-current assets**			
	a) Property, plant and equipment	5	33,415.39	31,702.71
	b) Capital work-in-progress	6	155.64	144.50
	c) Right to use assets	7	2,018.27	2,069.17
	d) Investment property	8	834.60	992.56
	e) Other intangible assets	9	62.25	78.67
	f) Financial assets			
	i) Investment accounted for using equity method	10	273.16	-
	ii) Investments	11	17.98	17.72
	iii) Loans	12	3,550.00	-
	iv) Other financial assets	13	2,317.00	2,234.16
	g) Income tax assets (net)	14	1,582.26	1,217.30
	h) Other non-current assets	15	3,784.44	3,997.43
	(A)		**48,010.99**	**42,454.22**
B	**Current assets**			
	a) Inventories	16	365.28	218.02
	b) Financial assets			
	i) Investments	17	7.55	6.61
	ii) Trade receivables	18	881.76	986.29
	iii) Cash and bank balances			
	- Cash and cash equivalents	19	922.33	2,253.86
	- Other bank balances	20	1,429.84	96.16
	iv) Loans	21	0.87	0.04
	v) Other financial assets	22	143.29	57.72
	c) Other current assets	23	785.77	614.93
	(B)		**4,536.69**	**4,233.63**
C	Assets classified as Held For Sale		8,376.37	-
	(C)		**8,376.37**	**-**
	TOTAL (A + B + C)		**60,924.05**	**46,687.85**
	EQUITY AND LIABILITIES			
A	**Equity**			
	a) Equity share capital	24	2,524.14	2,417.26
	b) Other equity	25	12,884.75	(20,533.97)
	(A)		**15,408.89**	**(18,116.71)**
	Liabilities			
B	**Non-current liabilities**			
	a) Financial liabilities			
	i) Borrowings	26	18,870.22	3,972.76
	ii) Lease liabilities	27	1,746.39	1,722.91
	iii) Other financial liabilities	28	108.38	97.20
	b) Provisions	29	482.47	445.86
	c) Deferred tax liabilities (net)	30	1,108.56	766.12
	b) Other non-current liabilities	31	229.90	304.37
	(B)		**22,545.92**	**7,309.22**
C	**Current liabilities**			
	a) Financial liabilities			
	i) Borrowings	32	13,864.05	40,124.89
	ii) Lease liabilities	33	150.78	173.43
	iii) Trade payables	34		
	- Amount due to Micro and small enterprises		152.73	178.58
	- Amount due to other than Micro and small enterprises		2,111.88	1,997.98
	iv) Other financial liabilities	35	4,034.89	12,829.50
	b) Other current liabilities	36	2,553.52	2,078.15
	c) Provisions	37	101.39	112.81
	(C)		**22,969.24**	**57,495.34**
	TOTAL (A+B+C)		**60,924.05**	**46,687.85**
	Significant accounting policies and notes to consolidated financial statements	**1 to 63**		

The notes referred to above form an integral part of the consolidated 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 of Kamat Hotels (India) Limited

Milan Mody
Partner
Membership No. 103286

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

Ramnath P. Sarang
Director
(DIN : 02544807)

Place: Mumbai
Date: 27th May, 2023

Smita Nanda
Chief Financial Officer

Place: Mumbai
Date: 27th May, 2023

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

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

	Particulars	Note no.	Year ended 31st March 2023	Year ended 31st March 2022
A	**Income**			
	Revenue from operations	38	29,493.26	14,448.84
	Other income	39	402.89	114.11
	Total income (A)		**29,896.15**	**14,562.95**
B	**Expenses**			
	Consumption of food and beverage	40	2,406.98	1,493.51
	Employee benefits expense	41	4,910.63	3,138.13
	Finance costs	42	2,205.15	5,045.19
	Depreciation and amortisation	5, 7, 8 & 9	1,547.98	1,702.16
	Other expenses	43	11,307.85	6,149.45
	Total expenses (B)		**22,378.59**	**17,528.44**
C	**Profit / (Loss) before share of profit / (loss) of joint venture, exceptional items & tax (A - B) (C)**		**7,517.56**	**(2,965.49)**
D	Share of profit / (loss) from joint venture accounted for using equity method		273.16	(41.33)
E	**Profit / (Loss) before exceptional items & tax (C + D) (E)**		**7,790.72**	**(3,006.82)**
F	Exceptional item - Income - net	44	23,836.00	-
G	**Profit / (Loss) before tax (E - F) (G)**		**31,626.72**	**(3,006.82)**
H	**Tax expense:**	30		
	- Current tax		0.49	0.49
	- Income tax for prior years		1.97	-
	- Deferred tax charge/ (credit)		334.53	(740.86)
	- Deferred tax for prior period		1.46	0.73
	Total tax expense (H)		**338.45**	**(739.64)**
I	**Profit / (Loss) after tax (G - H) (I)**		**31,288.27**	**(2,267.18)**
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		36.45	31.39
	- Income tax relating to items that will not be classified to statement of profit and loss		(6.46)	(6.29)
	Other comprehensive income for the year (J)		**29.99**	**25.10**
K	**Total comprehensive income/ (loss) for the year (I + J) (K)**		**31,318.26**	**(2,242.08)**
L	**Profit / (Loss) for the year attributable to:**			
	a) To owners of parent		**31,288.26**	**(2,267.18)**
	b) To Non controlling interest		**-**	**-**
	Other comprehensive income attributable to:			
	a) To owners of parent		29.99	25.10
	b) To Non controlling interest		-	-
	Basic earnings/ (loss) per share	49	132.31	(9.61)
	Diluted earnings/ (loss) per share		131.06	(9.61)
	Equity shares [Face value of Rs. 10 each]			
	Significant accounting policies and notes to consolidated financial statements	**1 to 63**		

The notes referred to above form an integral part of the consolidated 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 of Kamat Hotels (India) Limited

Milan Mody
Partner
Membership No. 103286

Place: Mumbai
Date: 27th May, 2023

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

Ramnath P. Sarang
Director
(DIN : 02544807)

Smita Nanda
Chief Financial Officer

Place: Mumbai
Date: 27th May, 2023

Consolidated statement of changes in equity for the year ended 31st March 2023

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

(a) Equity share capital

Current Reporting Period - 31st March, 2023

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
2,417.26	-	-	106.88	2,524.14

Previous Reporting Period - 31st March, 2022

Balance at the beginning of the previous reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year	Balance at the end of the previous reporting period
2,417.26	-	-	-	2,417.26

(b) Other equity

Particulars	Reserves & surplus					OCI*	Share Warrants	Total other equity
	Capital Reserve	Capital Redemption Reserve	Securities Premium	Amalgamation Reserve	Retained Earnings	Remeasurement gain/ (loss) of defined benefit plan		
Balance as at 31st March 2021	**13.87**	**266.50**	**14,986.74**	**280.06**	**(33,929.22)**	**90.16**	**-**	**(18,291.89)**
(Loss) for the year	-	-	-	-	(2,267.18)	-	-	**(2,267.18)**
Other comprehensive income for the year	-	-	-	-	-	25.10	-	**25.10**
Balance as at 31st March 2022	**13.87**	**266.50**	**14,986.74**	**280.06**	**(36,196.40)**	**115.26**		**(20,555.97)**
Profit for the year	-	-	-	-	31,288.27	-	-	**31,288.27**
Share premium received on allotment of equity shares	-	-	929.86	-	-	-	-	**929.86**
Money received against Share Warrants	-	-	-	-	-	-	1,429.78	**1,429.78**
Amount transfer to share capital and security premium account on conversion of warrants	-	-	-	-	-	-	(259.19)	**(259.19)**
Other comprehensive income for the year	-	-	-	-	-	29.99	-	**29.99**
Balance as at 31st March 2023	**13.87**	**266.50**	**15,916.60**	**280.06**	**(4,908.13)**	**145.25**	**1,170.60**	**12,884.75**

*Other comprehensive income

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

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

Milan Mody
Partner
Membership No. 103286

Place: Mumbai
Date: 27th May, 2023

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

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

Ramnath P. Sarang
Director
(DIN : 02544807)

Smita Nanda
Chief Financial Officer

Place: Mumbai
Date: 27th May, 2023

KAMAT HOTELS (INDIA) LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2023

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

	Particulars	Year ended 31st March 2023	Year ended 31st March 2022
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit /(loss) before taxes	**31,626.72**	**(3,006.82)**
	Adjustments for:		
	Finance cost	2,205.14	5,045.18
	Interest income	(185.31)	(61.51)
	Depreciation and amortization	1,548.01	1,702.16
	Liabilities and Provisions written back	(28.61)	(105.94)
	Bad debts and advances written off	6.90	-
	(Reversal of) / Provision for expected credit loss and doubtful debts / advances	(25.55)	124.69
	Loss on sale/ discard of property, plant and equipment	6.65	3.88
	Share of (profit) / loss of joint venture (accounted as per equity method)	(273.16)	41.33
	Rent income	(124.70)	(41.00)
	Provision for doubtful export benefits - SEIS	1.08	-
	(Profit) / loss on fair value of investments	(1.20)	0.61
	Profit on Sale of Investment Property (exceptional item)	(1,038.54)	-
	Gain on settlement with lenders	(11,807.46)	-
	Gain on reversal of provision for impairment of Property, Plant and Equipment (exceptional item)	(10,990.00)	-
	Operating profit before working capital changes	**10,919.97**	**3,702.58**
	Movements in working capital : [Including Current and Non-current]		
	(Increase) / decrease in loans, trade receivable and other assets	(430.56)	(452.31)
	(Increase) / decrease in inventories	(147.26)	(30.94)
	Increase / (decrease) in trade payable, other liabilities and provisions	1,820.77	(64.16)
		12,162.92	**3,155.17**
	Adjustment for:		
	Direct taxes (paid) (including tax deducted at source) / refund (net)	(308.69)	(86.65)
	Net cash generated from operating activities…(A)	**11,854.23**	**3,068.52**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment (Including capital work in progress and capital advances)	(596.46)	(585.56)
	Sale of property, plant and equipment	5.42	4.10
	Proceeds from sale of investment property	1,172.94	-
	Loan given to related party	(3,550.00)	-
	Movement in long term loans and advances	(120.00)	(30.00)
	Repayment received of loans and advances given	120.00	30.00
	Rent income received	122.07	48.85
	Interest income	136.24	45.96
	(Increase)/decrease in bank balance [Current and non-current] (other than cash and cash equivalent)	(1,309.27)	3.88
		(4,019.06)	**(482.77)**
	Adjustment for:		
	Direct taxes (paid)/ refund received (including tax deducted at source) - (Net)	(54.65)	(5.32)
	Net cash (used in) from investing activities… (B)	**(4,073.71)**	**(488.09)**

KAMAT HOTELS (INDIA) LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2023

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

	Particulars	Year ended 31st March 2023	Year ended 31st March 2022
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from issue of equity shares	1,036.74	-
	Proceeds from issue of warrants	1,429.78	-
	Amount transfer to share capital and security premium account on conversion of warrants	(259.19)	
	Proceeds from issue of non-convertible debenture / long term borrowings	30,254.91	508.86
	Repayment of long term borrowings	(34,925.74)	(1,478.72)
	Interest paid (Including other borrowing cost)	(6,471.66)	(529.48)
	Payments of lease liabilities	(176.90)	(174.08)
	Net cash used in financing activities… (C)	**(9,112.05)**	**(1,673.42)**
	Net (decrease) / increase in cash and cash equivalents (A+ B+C)	**(1,331.53)**	**907.01**
	Cash and cash equivalents at beginning of the year	2,253.86	1,346.85
	Cash and cash equivalents at end of the year	922.33	2,253.86
	Net (decrease) / increase in cash and cash equivalents	**(1,331.53)**	**907.01**

Note:

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

(ii) Refer note 53 for other notes related to statement of cash flow.

Significant accounting policies and notes to financial statements **1 to 63**

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

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

Milan Mody
Partner
Membership No. 103286

Place: Mumbai
Date: 27th May, 2023

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

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

Ramnath P. Sarang
Director
(DIN : 02544807)

Smita Nanda
Chief Financial Officer

Place: Mumbai
Date: 27th May, 2023

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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 registered office of the Holding Company is located at 70 – C, Nehru Road, Near Santacruz Airport, Vile Parle (E), Mumbai – 400 099, India. Its shares are listed and traded on the Bombay Stock Exchange and National Stock Exchange 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 Bhubaneswar).

The financial statements of the Group for the year ended 31st March, 2023 were approved and adopted by board of directors in their meeting held on 27th May, 2023.

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 2023	As at 31st March 2022
	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.

2.3. Basis of preparation and presentation

These consolidated financial statements have been prepared on the historical cost convention and on accrual basis except for the following assets and liabilities which have been measured at fair value:

i. Certain financial assets and liabilities (including derivative instruments);

ii. Defined benefit plans – plan assets;

The financial statements are in accordance with Division II of Schedule III to the Act, as applicable.

2.4. 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.

2.5. 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”.

2.6. 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 (Refer note 5.3)

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 (Refer note no. 55)

ix) Impairment of investment in joint venture (Refer note no.10)

x) Corporate guarantee (Refer note. 46.3)

3. Significant Accounting Policies

3.1. Presentation and disclosure of consolidated financial 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 (Tangible Assets) 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.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under ''Other non-current assets''. 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.

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

The Group had adopted Ind AS 116 'Leases' effective from 1st April, 2019, as notified by the Ministry of Corporate Affairs in the Companies (Indian Accounting Standard) Amendment Rules, 2019.

Where the Group is lessee

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.

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 standalone 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 of right-of-use asset.

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 incremental borrowing rate. The lease liability is measured at amortised cost using the effective interest method.

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.

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.

Right-of-use assets and lease liability balances are adjusted on partial / full termination of lease and corresponding gain / loss on such partial / full termination is charged to other income / other expenses in the Statement of Profit and Loss.

Where the Group is the lessor

Lease income from operating leases where the Group is a lessor is recognised (net of GST) in income on a straight-line basis over the lease term. The respective leased assets are included in the balance sheet based on their nature.

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. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax is provided using the balance sheet 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 when an entity included in the 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. Statement of Cash Flows

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. Non-Current assets held for sale and discontinued operations

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits and financial assets which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

Non-current assets and liabilities classified as held for sale are presented separately from the other assets and liabilities in the balance sheet.

3.18. 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.

3.19. 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.

3.19.1. 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 to be 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.

3.19.2. 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 115.

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 115.

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.

4. Amendments to existing Ind AS issued but not effective as at 31st March, 2023

On 31st March, 2023, Ministry of Corporate Affairs ("MCA") amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1st April, 2023, as below:

Ind AS 1 – Preparation of Financial Statements:

Companies should now disclose "Material Accounting Policies" rather than their "Significant Accounting Policies". Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors: Definition of 'change in account estimate' has been replaced by revised definition of 'accounting estimate'. As per revised definition, accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty. A company develops an accounting estimate to achieve the objective set out by an accounting policy. Accounting estimates include:

a) Selection of a measurement technique (estimation or valuation technique)

b) Selecting the inputs to be used when applying the chosen measurement technique.

Ind AS 12 – Income Tax: Narrowed the scope of the Initial Recognition Exemption (with regard to leases and decommissioning obligations). Now such exemption does not apply to transactions that give rise to equal and offsetting temporary differences. Accordingly, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on transactions such as initial recognition of a lease and a decommissioning provision.

The Company does not expect the above amendments to have any significant impact in its financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

(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	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Total
	Balance as at 31st March, 2021	**2,561.08**	**-**	**6,515.30**	**49,514.10**	**4,607.20**	**467.60**	**36.82**	**109.34**	**63,811.44**
	Additions during the year 2021-2022	-	-	-	767.33	166.36	28.02	11.99	6.25	979.95
	Deletions during the year 2021-2022	-	-	-	0.03	16.21	0.03	0.67	0.57	17.51
	Balance as at 31st March, 2022	**2,561.08**	**-**	**6,515.30**	**50,281.40**	**4,757.35**	**495.59**	**48.14**	**115.02**	**64,773.88**
	Additions during the year 2022-2023	-	-	5.77	259.06	223.93	55.70	6.34	15.86	566.66
	Deletions during the year 2022-2023	-	-	-	4.42	25.63	0.68	-	4.66	35.39
	Assets classified as held for sale	2,561.08	-	6,519.56	-	683.63	71.15	0.00	27.31	9,862.73
	Reversal of impairment (Refer note 5.3)	-	-	-	10,990.00	-	-	-	-	10,990.00
	Balance as at 31st March, 2023	**-**	**-**	**1.51**	**61,526.04**	**4,272.02**	**479.46**	**54.48**	**98.91**	**66,432.42**
	Accumulated Depreciation									
	Balance as at 31st March, 2021	**-**	**-**	**682.71**	**27,990.28**	**2,415.50**	**284.70**	**18.04**	**76.93**	**31,468.16**
	For the year	-	-	130.41	1,089.35	344.89	24.50	5.12	19.07	1,613.31
	Disposal	-	-	-	-	9.75	-	0.05	0.50	10.30
	Balance as at 31st March, 2022	**-**	**-**	**813.12**	**29,079.63**	**2,750.64**	**309.20**	**23.11**	**95.50**	**33,071.17**
	For the year	-	-	131.70	930.55	338.02	40.69	4.18	14.31	1,459.45
	Disposal	-	-	-	3.28	15.54	0.54	-	3.96	23.32
	Assets classified as held for sale	-	-	944.44	-	486.98	34.68	-	24.13	1,490.23
	Balance as at 31st March, 2023	**-**	**-**	**0.38**	**30,006.90**	**2,586.14**	**314.67**	**27.29**	**81.72**	**33,017.07**
	Net carrying amount									
	Balance as at 31st March, 2022	**2,561.08**	**-**	**5,702.18**	**21,201.77**	**2,006.71**	**186.39**	**25.03**	**19.52**	**31,702.71**
	Balance as at 31st March, 2023	**-**	**-**	**1.13**	**31,519.14**	**1,685.88**	**164.79**	**27.19**	**17.19**	**33,415.39**

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 cancellable lease.

5.3 The Subsidiary Company (Orchid Hotels Pune Private Limited) had impaired its building on leasehold land and leasehold improvements upto Rs. 21,932.32 lakhs in earlier years. During the year ended 31st March, 2023, considering the potential for growth, projected financial performance, waiver of dues as by holding company and the present market value of the property valued by an independent valuer at Rs. 24,290.00 lakhs, the Subsidiary Company has reviewed and reversed the provision for impairment of Rs. 10,990.00 lakhs, which is shown as exceptional income.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

6	Capital work in progress	As at 31st March 2023	As at 31st March 2022
	Opening balance	144.50	628.04
	Add: Capital advance	4.18	119.29
	Add: Additions during the year	691.97	344.43
	Less: Capitalised during the year	575.20	843.20
	Less : Transfer to expenses	109.81	104.06
	Closing balance	**155.64**	**144.50**

6.1 (A) CWIP / Intangible assets under development ageing schedule:

Project Type	Amount in CWIP for a period as on 31st March, 2023				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress					
Heat Pump at VITS Mumbai	14.05	-	-	-	14.05
HVAC System at VITS Mumbai	22.54	-	-	-	22.54
AC Plant & Air Condition at The Orchid Mumbai	3.50	-	-	-	3.50
Mobile Phone at The Orchid Mumbai	0.06	-	-	-	0.06
Godrej Locker at Lotus Murud	2.11	-	-	-	2.11
Projects temporarily suspended					
Kitchen Equipment at The Orchid Mumbai	-	-	-	18.58	18.58
Room Renovation Work at Mahodadhi Puri	6.48	88.32			94.80
Total	**48.74**	**88.32**	**-**	**18.58**	**155.64**

Project Type	Amount in CWIP for a period as on 31st March, 2022				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress					
New Cherry Blossom Restaurant at Orchid Pune	1.57	-	-	-	1.57
Room Renovation Work at Mahodadhi Puri	108.90	10.39	-	-	119.29
New Swimming Pool at Lotus Konark	2.21	-	-	-	2.21
Electrical Work at VITS Mumbai	2.41	-	-	-	2.41
Furniture Work at VITS Mumbai	0.24	-	-	-	0.24
New Software installation at The Orchid Mumbai	0.20	-	-	-	0.20
Kitchen Equipment at The Orchid Mumbai	-	-	18.58	-	18.58
Total	**115.53**	**10.39**	**18.58**	**-**	**144.50**

(B) Details of Capital-work-in progress whose completion is overdue compared to its original plan:

Current Reporting Period - 31st March, 2023

Project Type	To be completed in				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Room Renovation Work at Mahodadhi Puri *	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

* During the current year " Room Renovation Work at Mahodadhi Puri " has been temporarily suspensed.

Previous Reporting Period - 31st March, 2022

Project Type	To be completed in				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Room Renovation Work at Mahodadhi Puri	57.47	-	-	-	57.47
Total	**57.47**	**-**	**-**	**-**	**57.47**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

7

Rights of use assets	Rights of use assets	Total
Gross carrying value		
Balance as at 31st March, 2021	**2,221.95**	**2,221.95**
Additions during the year 2021-2022	-	-
Deletions during the year 2021-2022	-	-
Balance as at 31st March, 2022	**2,221.95**	**2,221.95**
Additions during the year 2022-2023	-	-
Deletions during the year 2022-2023	-	-
Balance as at 31st March, 2023	**2,221.95**	**2,221.95**
Accumulated depreciation		
Balance as at 31st March, 2021	**101.89**	**101.89**
For the year	50.89	50.89
Disposal	-	-
Balance as at 31st March, 2022	**152.78**	**152.78**
For the year	50.90	50.90
Disposal	-	-
Balance as at 31st March, 2023	**203.68**	**203.68**
Net carrying amount		
Balance as at 31st March, 2022	**2,069.17**	**2,069.17**
Balance as at 31st March, 2023	**2,018.27**	**2,018.27**

8

Investment property	Freehold Land	Building	Building on leasehold land (Refer note 8.4)	Total
Gross carrying value				
Balance as at 31st March, 2021	**178.09**	**8.94**	**950.85**	**1,137.88**
Additions during the year 2021-2022	-	-	-	-
Deletions during the year 2021-2022	-	-	-	-
Balance as at 31st March, 2022	**178.09**	**8.94**	**950.85**	**1,137.88**
Additions during the year 2022-2023	-	-	-	-
Deletions during the year 2022-2023	134.40	-	-	134.40
Balance as at 31st March, 2023	**43.69**	**8.94**	**950.85**	**1,003.48**
Accumulated depreciation				
Balance as at 31st March, 2021	**-**	**0.82**	**120.78**	**121.60**
For the year	-	0.16	23.56	23.72
Disposal	-	-	-	-
Balance as at 31st March, 2022	**-**	**0.98**	**144.34**	**145.32**
For the year	-	0.16	23.40	23.56
Disposal	-	-	-	-
Balance as at 31st March, 2023	**-**	**1.14**	**167.74**	**168.88**
Net carrying amount				
Balance as at 31st March, 2022	**178.09**	**7.96**	**806.51**	**992.56**
Balance as at 31st March, 2023	**43.69**	**7.80**	**783.11**	**834.60**

8.1 Depreciation is provided on investment property based on useful life on Straight Line Method [Also refer note 3.4].

8.2 Cost of freehold land includes Rs. Nil lakhs as at 31st March 2023 (Previous year: Rs. 71.70 lakhs) which is in the name of the 'Executive Chairman and Managing Director' (ECMD) of the Company and includes Rs. Nil lakhs as at 31st March 2023 (Previous year Rs. 62.70 lakhs) which is in the name of a relative of the ECMD.

8.3 For details of assets given as security, refer note 26.1.

8.4 The leasehold improvements are constructed on land taken under cancellable lease.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

8.5 Amount recognized in Statement of Profit and Loss for investment properties:

Particulars	31st March 2023	31st March 2022
Rental income derived from investment property (Refer note 8.6)	109.78	34.75
Direct operating expenses (including repairs and maintenance) generating rental income	19.18	18.21
Direct operating expenses (including repairs and maintenance) that did not generate rental income	2.48	2.40
Profit from leasing of investment properties before depreciation	**88.12**	**14.14**
Less: Depreciation expenses	23.40	23.56
Profit/(Loss) from leasing of investment properties after depreciation	**64.72**	**(9.42)**

8.6 **Leasing arrangement**.

Certain investment properties are leased to tenants under cancellable leases with rentals payable monthly.

8.7 **Fair value**

Particulars	As at 31st March 2023	As at 31st March 2022
Fair value of investment properties	1,518.81	1,372.25

8.8 The Company's investment properties consist of land situated at Kottayam (Kerala), Baddi (Himachal Pradesh), Residential flat at Nagpur 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.

9

Other intangible assets	Software	Total
Gross carrying value		
Balance as at 31st March, 2021	**132.49**	**132.49**
Additions during the year 2021-2022	4.47	4.47
Deletions during the year 2021-2022	-	-
Balance as at 31st March, 2022	**136.96**	**136.96**
Additions during the year 2022-2023	1.53	**1.53**
Deletions during the year 2022-2023	0.40	**0.40**
Assets classified as held for sale	10.73	**10.73**
Balance as at 31st March, 2023	**127.36**	**127.36**
Accumulated depreciation		
Balance as at 31st March, 2021	**44.04**	**44.04**
For the year	14.25	14.25
Disposal	-	-
Balance as at 31st March, 2022	**58.29**	**58.29**
For the year	14.08	14.08
Disposal	0.40	0.40
Assets classified as held for sale	6.86	6.86
Balance as at 31st March, 2023	**65.11**	**65.11**
Net carrying amount		
Balance as at 31st March, 2022	**78.67**	**78.67**
Balance as at 31st March, 2023	**62.26**	**62.26**

9.1 Software is other than internally generated software.

9.2 Balance useful life of intangible as at 31st March 2023 is 1 to 9 years (Previous year: 1 to 9 years).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

10

Investments accounted for using equity method (Accounted as per equity method, refer note 2.1 (b))	**As at 31st March 2023**	**As at 31st March 2022**
Investments in Joint Venture		
Ilex Developers and Resorts Limited 2,66,500 equity shares (Previous year 2,66,500) of Rs. 10 each	-	41.33
(Less): Impairment in value of investment (Refer Note 10.1)	-	-
(Add): Share in profit / (loss) after tax	273.16	(41.33)
Total	**273.16**	**-**
Aggregate value of unquoted investment	273.16	-
Aggregate amount of impairment in value of investments	-	-

10.1 The Holding company has made a strategic and long-term investment of Rs. 533.00 lakhs (As at 31st March 2022: Rs.533.00 lakhs) in the shares of Ilex Developers & Resorts Limited (Ilex), a 32.92% joint venture 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 2023. 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, no provision for impairment loss against investment is required during the year.

11

Investments	**As at 31st March 2023**	**As at 31st March 2022**
(a) Investment measured at Fair Value Through Profit or Loss (FVTPL)		
Investment in equity instruments		
Quoted		
Royal Orchid Hotels Limited 50 equity shares (Previous year 50) of Rs 10 each	0.14	0.06
Unquoted		
The Satara Sahakari Bank Limited 10,010 equity shares (Previous year 10,010) of Rs. 50 each	17.84	17.66
Total FVTPL investments	**17.98**	**17.72**
Total	**17.98**	**17.72**
Aggregate cost of quoted investments	0.03	0.03
Aggregate amount of unquoted investments	17.84	17.66
Market value of quoted investments	0.14	0.06
Aggregate amount of impairment in value of investments	-	-

12

Loans (Unsecured, considered good unless otherwise stated)	**As at 31st March 2023**	**As at 31st March 2022**
Non-Current		
Loans to related party	2,290.00	-
Loans to joint venture	1,260.00	-
	3,550.00	**-**
Inter corporate deposit (considered doubtful)	200.00	200.00
Less: Impairment of advance given	200.00	200.00
	-	-
Total	**3,550.00**	**-**

13

Other financial assets	**As at 31st March 2023**	**As at 31st March 2022**
Non-current		
Security deposits		
- Related Party (Refer note 13.2 and 47)	2,140.84	2,026.73
- Others	155.26	165.20
	2,296.10	**2,191.93**
Margin money in fixed deposits with banks (maturity more than 12 months) (Refer note 13.1 below)	20.90	42.23
Total	**2,317.00**	**2,234.16**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

13.1 Fixed deposit is given as margin money for guarantee given by bank to government and other authorities on behalf of the Group.

13.2 The Holding Company has given interest free security deposit having carrying value of Rs.8,000.00 lakhs as at 31st March 2023 (Previous year: Rs.8,000.00 lakhs) for hotel property taken by the Holding Company from an entity in which some of the directors are director and member. This deposit has been fair valued under Ind AS 109- Financial Instrument. Deferred lease asset arising out of the said fair valuation is being amortised on straight line basis.

14

Income tax assets (net)	As at 31st March 2023	As at 31st March 2022
Non-current		
Income tax (net)	1,582.26	1,217.30
Total	**1,582.26**	**1,217.30**

15

Other non-current assets (Unsecured, considered good unless otherwise stated)	As at 31st March 2023	As at 31st March 2022
Capital advances	188.65	201.81
Less: Impairment of advance given	188.65	188.65
	-	13.16
Others advances (Refer Note 15.1)	488.62	488.62
Less: Impairment of advance given	488.62	488.62
	-	-
Deferred advance rentals	3,162.20	3,324.89
Advance for Project (Refer note 15.2)	600.78	648.07
Prepaid expenses	21.46	11.31
Total	**3,784.44**	**3,997.43**

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.

15.2 In earlier year, the subsidiary company OHPPL has paid unsecured advance of Rs. 600 lakhs to Joint Developer for cost to be incurred in respect of joint development agreement entered in September 2019 to develop and commercially exploit certain properties over the land on which the subsidiary company holds leasehold rights. As per the terms agreed between the joint developer and the subsidiary company, the said amount would be utilised for obtaining / seeking the necessary approvals for the development of above-mentioned property. Further as per the mutual understanding, if the joint developer is not able to obtain the requisite development approvals within reasonable time, the said amount subject to deduction for expense incurred by the joint developer would be refunded to the subsidiary company. The subsidiary Company along with the Joint Developer has appointed a licensed architect to design, prepare plans and make the necessary applications for regulatory approvals.As on 31st March, 2023, the joint developer has confirmed that no significant expense has been incurred out of the advance received.

16

Inventories (Refer note 26.1) (At lower of cost or net realisable value)	As at 31st March 2023	As at 31st March 2022
Food and beverages	219.66	127.61
Stores and operating supplies (Refer note 16.1)	145.62	90.41
Total	**365.28**	**218.02**

16.1 The cost of inventories recognised as an expense amounted to Rs. 4,101.49 lakhs (Previous year Rs. 2,341.91 lakhs). Refer note 3.6 for accounting policy for inventory valuation.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

17

Investments (Refer note 26.1)	As at 31st March 2023	As at 31st March 2022
Current		
Investment measured at Fair Value Through Profit or Loss (FVTPL)		
Quoted		
50,000 (Previous year: 50,000) units of SBI PSU FUND - of Rs. 10 each	7.55	6.61
Total	**7.55**	**6.61**
Aggregate cost of unquoted investments	5.28	5.28
Net asset value unquoted investments	7.55	6.61
Aggregate amount of impairment in value of investments	-	-

18

Trade receivable (Refer note 26.1) (Unsecured considered good, unless otherwise stated)	As at 31st March 2023	As at 31st March 2022
-Considered good - secured	881.76	969.95
-Trade receivables which have significant increase in credit risk	1,609.64	1,651.53
Sub-total	**2,491.40**	**2,621.48**
Less: Allowance for expected credit loss*	1,609.64	1,635.19
Total	**881.76**	**986.29**

* 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 3.19.1 and 62(a)(ii)].

18.1 Trade receivables ageing schedule as at 31st March, 2023:

	Particulars	Unbilled (grouped under trade receivable)	Not Due	Outstanding for following periods from due date of payment					Total
				Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
i)	Undisputed Trade Receivables - Considered good	53.95	545.06	269.90	-	-	-	-	**868.91**
ii)	Undisputed Trade Receivables - which has significant increase in credit risk	-	-	-	60.05	98.45	40.01	1,366.38	**1,564.89**
iii)	Disputed Trade Receivables - which has significant increase in credit risk	-	-	-	-	-	0.08	57.52	**57.60**
Total		**53.95**	**545.06**	**269.90**	**60.05**	**98.45**	**40.09**	**1,423.90**	**2,491.40**

18.2 Trade receivables ageing schedule as at 31st March, 2022:

	Particulars	Unbilled (grouped under trade receivable)	Not Due	Outstanding for following periods from due date of payment					Total
				Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
i)	Undisputed Trade Receivables - Considered good	73.68	621.90	274.37	-	-	-	-	**969.95**
ii)	Undisputed Trade Receivables - which has significant increase in credit risk	-	-	-	102.07	76.62	61.17	1,353.96	**1,593.82**
iii)	Disputed Trade Receivables - which has significant increase in credit risk	-	-	-	-	32.38	4.52	20.81	**57.71**
Total		**73.68**	**621.90**	**274.37**	**102.07**	**109.00**	**65.69**	**1,374.77**	**2,621.48**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

18.3 Trade receivable includes receivable from related parties as given below. This included amount of Rs. 6.65 lakhs (Previous year: Rs.2.18 lakhs); from an entity in which director of the group is also director.

Particulars	**As at 31st March 2023**	**As at 31st March 2022**
From related parties (Refer note 47)		
Ilex Developers & Resorts Limited	6.65	2.18
Total	**6.65**	**2.18**

19

Cash and cash equivalents (Refer note 26.1)	**As at 31st March 2023**	**As at 31st March 2022**
Balances with bank		
- In current accounts	836.22	541.80
- Cheques in hand	30.00	-
- Cash in hand	24.56	18.07
	890.78	559.87
- Fixed deposits (less than 12 months maturity)	31.55	1,693.99
Total	**922.33**	**2,253.86**

20

Other bank balance (Refer note 26.1)	**As at 31st March 2023**	**As at 31st March 2022**
Margin money in fixed deposits with banks (Maturity period less than 12 months) (Refer note 20.1)	1,141.21	84.58
Balance in Bank - Escrow Account (Refer note 20.2)	288.63	11.58
Total	**1,429.84**	**96.16**

20.1 Fixed deposit is given as margin money to the Bank include minimum amount need to maintain in Debt Service Reserve Account as per the terms of Debenture Trust Deed and for guarantee given by bank to Government & other authorities on behalf of the Group.

20.2 Balance with bank (escrow account) is maintained for servicing of dues payable to debenture holder.

21

Loans (Refer note 26.1) (Unsecured considered good, unless otherwise stated)	**As at 31st March 2023**	**As at 31st March 2022**
Current		
Loans and advances to employees and others	0.87	0.04
Total	**0.87**	**0.04**

22

Other financial assets (Refer note 26.1) (Unsecured, considered good unless otherwise stated)	**As at 31st March 2023**	**As at 31st March 2022**
Current		
Interest receivable from:		
- Joint Venture on loans and advances	39.77	-
- Promoter Company on loans and advances	72.28	-
Interest receivable on bank deposits and investments	18.69	45.17
Security deposit	12.55	12.55
Total	**143.29**	**57.72**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

23	**Other current assets (Refer note 26.1)** (Unsecured, considered good unless otherwise stated)	**As at 31st March 2023**	**As at 31st March 2022**
	Advances to vendors	95.93	102.94
	GST receivable on vendor payment	4.66	4.33
	Balances with Government authorities (Refer Note 23.1)	381.43	275.31
	Less: Provision for doubtful export benefit receivables	(1.08)	(7.81)
		380.35	267.50
	Prepaid expenses	304.83	240.16
	Total	**785.77**	**614.93**

23.1 Balance of authorities includes input tax credit (ITC) of Rs.108.77 lakhs (Previous year: Rs.88.80 lakhs) of Goods and service tax (GST) taken by subsidiary company (Orchid Hotels Pune Private Limited) and Rs.12.88 lakhs (Previous year Rs.12.88 lakhs) taken by Holding Company based on legal interpretation.

24	**Share capital**	**As at 31st March 2023**	**As at 31st March 2022**
	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		
	2,55,15,363 (Previous year: 2,44,46,558) Equity Shares of Rs. 10 each, fully paid up (Refer note 24.2 and 24.3)	2,524.14	2,417.26
	Total	**2,524.14**	**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 Issued, subscribed and paid-up capital include 8,62,500 forfeiture share, which are partly paid up (at the rate of Rs. 6.82 per share), amounts originally paid up is Rs. 58.85 lakhs.

24.3 During the year the Company has issued 10,68,805 equity share to promoters having face value of Rs. 10 at Rs. 97 per share, against conversion of share warrants and accordingly premium of Rs.87 per share have been accounted in other equity as security premium.

24.4 Reconciliation of the number of shares outstanding is set out below:

Particulars	**As at March 31, 2023**		**As at March 31, 2022**	
	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	10,68,805	106.88	-	-
Less: Buyback during the year	-	-	-	-
Number of shares at the year end	**2,46,52,863**	**2,465.29**	**2,35,84,058**	**2,358.41**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

24.5 Details of shareholders holding more than 5 % shares

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of Shares	% held	Number of Shares	% held
Kamat Holdings Private Limited (Refer note. 24.6)	-	-	15,00,000	6.36
Plaza Hotels Private Limited (Refer note 24.3)	40,14,748	16.29	35,35,545	14.99
Indira Investments Private Limited (Refer note. 24.6)	-	-	15,63,794	6.63
Dr. Vithal V. Kamat (Refer note 24.3)	38,44,592	14.99	32,54,990	13.80
Vishal Amusements Limited	51,57,342	20.92	18,88,526	8.01

24.6 Shares held by promoters at the end of the year

Promoters Name	As as 31st March, 2023		As as 31st March, 2022		% of changes during the year
	Number of shares held	% of total shares	Number of shares held	% of total shares	
Vithal V. Kamat (HUF)	1,49,864	0.61	1,49,864	0.64	-4.34%
Vithal V. Kamat	29,66,075	12.03	23,76,473	10.08	19.40%
Vithal V. Kamat/Vidya V. Kamat	7,28,653	2.96	7,28,653	3.09	-4.34%
Vishal V. Kamat	15,127	0.06	15,127	0.06	-4.34%
Vishal V. Kamat/Vidya V. Kamat	500	0.00	500	0.00	-4.34%
Vidya Vithal Kamat	95,621	0.39	95,621	0.41	-4.34%
Vidya V. Kamat / Vithal V Kamat	1,000	0.00	1,000	0.00	-4.34%
Vidita V. Kamat/Vidya V. Kamat	500	0.00	500	0.00	-4.34%
Vikram V. Kamat/Vidya V. Kamat	500	0.00	500	0.00	-4.34%
Kamat Holdings Private Limited *	-	-	15,00,000	6.36	-100.00%
Indira Investments Private Limited *	-	-	15,63,794	6.63	-100.00%
Plaza Hotels Private Limited	40,14,748	16.29	35,35,545	14.99	8.63%
Kamat Development Private Limited	8,39,272	3.40	8,39,272	3.56	-4.34%
Sangli Rubber Agro Private Limited	7,57,000	3.07	7,57,000	3.21	-4.34%
Kamats Club Private Limited *	-	-	4,900	0.02	-100.00%
Kamburger Foods Private Limited *	40,551	0.16	40,551	0.17	-4.34%
Kamats Super Snacks Private Limited *	1,82,445	0.74	1,82,445	0.77	-4.34%
Karaoke Amusements Private Limited *	-	-	80,877	0.34	-100.00%
Vishal Amusements Limited	51,57,342	20.92	18,88,526	8.01	161.25%
Kamat Holiday Resorts (Silvassa) Limited	2,76,439	1.12	2,76,439	1.17	-4.34%
Kamat Eateries Private Limited *	-	-	1,19,245	0.51	-100.00%
Savarwadi Rubber Agro Private Limited	2,05,128	0.83	2,05,128	0.87	-4.34%
	1,54,30,765	**62.59**	**1,43,61,960**	**60.90**	

* These entities have merged with Vishal Amusement Limited with effect from 16th May, 2018, and share has been transferred in the name of transferee during the year, except Kamburger Foods Private Limited and Kamats Super Snacks Private Limited.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

25	Other equity	As at 31st March 2023	As at 31st March 2022
	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
	Add: Share premium on shares allotted during the year	929.86	-
		15,916.60	**14,986.74**
	Amalgmation reserve (Refer note 25.4)		
	As per last Balance sheet	280.06	280.06
	Share warrants (Refer note 25.5)		
	Proceeds from Issue of warrants (25% upfront amount)	1,429.78	-
	Less:- Amount transfer to share capital and security premium account on conversion of warrants	(259.19)	-
	Closing balance	**1,170.60**	**-**
	(Deficit) in the statement of profit and loss		
	As per last balance sheet	(36,196.40)	(33,929.22)
	Add: Profit/(loss) for the year	31,288.27	(2,267.18)
	Closing balance	**(4,908.13)**	**(36,196.40)**
	Other comprehensive income		
	As per last balance sheet	115.26	90.16
	Add: Other comprehensive income for the year	29.99	25.10
	Closing balance	**145.25**	**115.26**
	Total	**12,884.75**	**(20,533.97)**

25.1 Capital reserve represent profit on sale of fixed asset related to an entity amalgamated with the Holding Company in the earlier years.

25.2 Capital redemption reserve was 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 will be 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.

25.5 Money received against share warrants consist of 25% upfront money received against issue of 48,27,209 preferential convertible warrants which are pending for conversion into equity share.

The Company will utilize the proceeds from the preferential issue of Warrants for the purpose of capital expenditures, repayment of debts, working capital requirements and for general corporate purposes.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

26	Borrowings	As at 31st March 2023	As at 31st March 2022
	Non-current borrowings		
	Secured		
	Debenture (Refer note 26.1)		
	- From Non Convertible Debenture Holders	29,420.23	-
	Term loans		
	- From banks (Refer Note 26.2(a), 26.2(b) 26.2(c) and 26.5)	-	2,145.29
	- From others (Refer Note 26.2(a) 26.2(b) and 26.5)	-	48,881.66
	Unsecured		
	- Inter-corporate loan (Refer note 26.3)	2,632.53	2,282.09
	- Inter-corporate loan (Related party) (Refer note 26.4)	781.09	-
		32,833.85	**53,309.04**
	Less: Current maturities of long term loans	13,864.05	40,124.89
	Less: Interest accrued and due (Refer note 35)	99.58	9,201.66
	Less: Interest accrued but not due (Refer note 35)	-	9.73
	Total	**18,870.22**	**3,972.76**

26.1 During the year ended 31st March, 2023, the Company has allotted 29,750 "14% Rated Listed Secured Redeemable Non-Convertible Debentures" (NCDs) having face value of Rs. 1 lakh each amounting to Rs. 29,750.00 lakhs through private placement. The Company has utilized the issue proceeds towards settlement of secured debts of the Company, a subsidiary company, joint venture company and loan to a company belonging to the promoter.The redemption of NCDs shall be as per repayment schedule of Debenture Trust Deeds.

Non-convertible debenture aggregating to Rs. 29,420 lakhs are secured by (i) First ranking exclusive charge on lands at "The Orchid" at Vile Parle (East) (owned by Plaza Hotels Private Limited) together with hotel buildings and all appurtenances thereon; Hotel "VITS" at Andheri (East); hotel property at Lotus Goa, land & building belonging to promoter's company at Nagpur, hypothecation of all receivable and current assets of the Company, Orchid Hotels Pune Private Limited (OHPPL), Mahodadhi Palace Private Limited (MPPL), Ilex Developers and Resorts Limited (IDRL), Plaza Hotels Private Limited (PHPL) & Savarwadi Rubber Agro Private Limited (SRPL); Pledge of equity shares of the Company held by promoters and promoter companies, pledge of equity shares held by the Company in subsidiaries & joint venture and Pledge of security held by promoter, promoter company and and other group company in Plaza Hotels Private Limited & IDRL.

Above NCDs are secured by corporate guarantee of subsidiaries, joint venture, PHPL, SRPL, Greenboom Developers & Resorts Limited, Vishal Amusements Limited & Kamat Development Private Limited and personal guarantee of Dr. Vithal V. Kamat and Mr. Vishal V. Kamat.

26.2 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. Nil (previous year Rs. 28,646.95 lakhs) was 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 the Holding 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 Holding 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 Holding 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.

In respect of term loan taken by the subsidiary company (OHPPL) from others (loans assigned by banks to ARC) aggregating to Rs. Nil (previous year Rs. 17,415.31 lakhs) was 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 others [loans assigned by Bank to ARC's and NBFC on settlement] aggregating to Rs. Nil (previous year Rs. 1,400.71 lakhs) was 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

(c) Term loans from bank having carrying value of Rs. Nil (previous year Rs. 2,135.56 lakhs) was secured by way of (i) Exclusive charge on all present and future current assets including receivables of four hotel properties and subservient charge on all property, plant and equipments of the Holding Company; (ii) Equitable mortgage over the land situated at Nagpur, owned by the Holding 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 dated cheques (vi) Corporate guarantees of Plaza Hotels Private Limited and Vishal Amusement Limited. The sanctioned terms and the loan agreements do not mandate submission of periodic statement of current assets, hence the disclosure about the same is not applicable.

26.3 (a) Intercorporate loan amounting to Rs. 522.16 lakhs (Previous year: Rs. 211.09 lakhs), carrying interest rate of 11% p.a is repayable after 1 year from the end of current year.

(b) In respect of intercorporate loan taken by subsidiary company (MPPL) amounting to Rs. 2,031.15 lakhs (Previous year: Rs. 2,021.36 lakhs), as per the terms of agreement, loan is payable on availability of funds with the subsidiary company. Hence, same is classified under long term borrowings. Further, based on request made by the subsidiary company, in view of various adverse factors and financial position of subsidiary company, the lender had waived off interest till the financial position of the subsidiary company improves.

26.4 Intercorporate loan amounting to Rs. 760.73 (Previous year: Rs. nil lakhs) is repayable not later than 10 years from the date of disbursement of loan or earlier on availability of funds with the Holding Company.

26.5 Based on repayment schedule for borrowings (including as per settlement agreement) following is the maturity profile.

Particulars	Maturity Profile			
	As at 31st March 2023		As at 31st March 2022	
	Next 1 year	2-5 years	Next 1 year	2-5 years
From banks	-	-	409.70	1,723.10
Proceed from Non Convertible Debenture Holders	13,864.05	15,556.18	-	-
Term loan from related party	-	760.73	-	-
From others	-	2,553.31	39,715.19	2,249.66
Total	**13,864.05**	**18,870.22**	**40,124.89**	**3,972.76**

26.6 Settlement of outstanding loan with ARC's and one time settlement with banks

During the previous year, the Group had proposed for settlement of outstanding loan and interest due to Asset Reconstruction Companies (ARCs), which was in-principle approved by the respective lenders. Further developments in this respect are as below:

(i) During the year ended 31st March, 2023, the Group had settled and paid the dues of ARCs and obtained No Dues Certificates (NDC). The Group had accounted for settlement and derecognized the loan liability (principal and interest), the difference between liability as per books and the settlement amount is accounted as under :

- Rs. 11,807.46 lakhs is disclosed as “Exceptional Income” (Net of expenses) and
- Rs. 2,451.51 lakhs is reversed from the finance cost for the year, the same pertains to finance cost accounted during current financial year 2022-23 (i.e. prior to the settlement).

In the opinion of the management, in case of above and in continuation of the view taken earlier, reporting for the event of default is not warranted and hence no intimation is required to be given to the stock exchange for unpaid loan instalments / settlement amounts till the date of settlements as required by SEBI circular dated 21st November, 2019. The statutory auditors have drawn attention on the said matter in their independent auditor’s reports of earlier period.

Further, the suit seeking specific performance from IARC is withdrawn by the Subsidiary Company (OHPPL) from District Court of Pune, as well as application filed against the Subsidiary Company is withdrawn by IARC from DRT I Mumbai.

26.7 Loans guaranteed by executive chairman and managing director of the Holding Company and his relatives.

Particulars*	As at 31st March 2023	As at 31st March 2022
From banks	-	2,145.29
Proceeds from Non-Convertible Debenture Holders	29,420.23	-
From others	-	48,881.66
Total	**29,420.23**	**51,026.95**

*Including interest outstanding.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

27	Lease liabilities	As at 31st March 2023	As at 31st March 2022
	Non-current		
	Deferred Lease Rentals (refer note 51)	1,746.39	1,722.91
	Total	**1,746.39**	**1,722.91**

28	Other financial liabilities	As at 31st March 2023	As at 31st March 2022
	Non-current		
	Outstanding club membership deposit	9.92	14.66
	Security deposits	64.35	52.35
	Deposit from related party (refer note 28.1)	34.11	30.19
	Total	**108.38**	**97.20**

28.1 Security deposit received having carrying value of Rs. 80.00 lakhs as at 31st March 2023 (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. This deposit is fair valued in accordance with Ind AS 109- Financial Instruments. Unwinding of deferred lease liability arising out of the said fair valuation is being recognised on straight line basis. (Refer note 37)

29	Provisions - Non-current	As at 31st March 2023	As at 31st March 2022
	Non-current		
	Provision for gratuity benefits (Refer note 50((ii)(a))(b))	292.55	275.53
	Provision for leave benefits (Refer note 50((ii)(c))	189.92	170.33
	Total	**482.47**	**445.86**

30	Deferred tax (liabilities) (net)	As at 31st March 2023	As at 31st March 2022
	Significant components of net deferred tax assets and liabilities		
	Deferred tax assets		
	Carried forward losses as per Income Tax Act, 1961	3,704.14	1,443.60
	Expense allowed on payment basis as per Income tax act, 1961	938.84	405.86
	Provision for doubtful debts and advances	412.97	419.16
	Lease Expenses under IND AS 116	0.10	0.69
	Fair value measurement of financial assets and liabilities (net)	605.18	590.50
	Difference in net carrying value of property, plant and equipment, intangible assets and investment properties as per income tax and books	(2,752.20)	-
	Sub-total (A)	**2,909.03**	**2,859.81**
	Deferred tax liabilities		
	Difference in net carrying value of property, plant and equipment, intangible assets and investment properties as per income tax and books	3,859.89	3,623.41
	Sales tax deposit paid under protest claimed as allowable expenses	2.52	2.52
	Expenses on issue of NCDs reduced from liability under IND AS, allowed	155.18	-
	Sub-total (B)	**4,017.59**	**3,625.93**
	Deferred tax (liability) (A-B)	**(1,108.56)**	**(766.12)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

30.1 Reconciliation of tax expenses and the accounting profit multiplied by applicable tax rate for 31st March 2023 and 31st March 2022:

Particulars	As at 31st March 2023	As at 31st March 2022
Profit / (loss) before tax	31,626.71	(3,006.82)
Income tax liability/(asset) as per applicable tax rate	7,959.81	(756.76)
(i) Permanent tax difference due to		
- Tax impact of income / expenses that are not considered in determining taxable profit	(7,148.12)	12.48
(ii) Deferred tax (asset) / liablity not recognised	(476.67)	3.91
(iii) Tax expenses of earlier years	3.43	0.73
Tax expense reported in the statement of profit and loss	**338.45**	**(739.64)**

Particulars	As at 31st March 2023	As at 31st March 2022
Other comprehensive income	36.45	31.39
Income tax liability / (asset) as per applicable tax rate	6.46	6.29
Tax expense/(credit) reported in Other comprehensive income	**6.46**	**6.29**

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) “The Holding Company and subsidiary company OHPPL & MPPL has opted for lower tax rate under Section 115BAA of the Income Tax Act, 1961.

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 (OHPPL) subsidiary company, 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. 181.81 lakhs as at 31st March 2023 (Previous year: Rs. 7,848.49 lakhs) has not been recognised due to uncertainty in respect of future taxable income against which such losses can be offset.

(d) The management is of the view that the Holding Company is not liable for income tax during the current financial year after considering judicial pronouncement and legal opinion as regards taxability of certain credit and allowability of certain items included in the financial statements.

31

Other non-current liabilities	As at 31st March 2023	As at 31st March 2022
Unamortized non-refundable membership deposit	229.90	304.37
Total	**229.90**	**304.37**

32

Borrowings	As at 31st March 2023	As at 31st March 2022
Current		
Current maturities of long term borrowings (secured)	13,864.05	40,124.89
Total	**13,864.05**	**40,124.89**

33

Lease liabilities	As at 31st March 2023	As at 31st March 2022
Current		
Deferred Lease Rentals (Refer note 51)	150.78	173.43
Total	**150.78**	**173.43**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

34	Trade payables	As at 31st March 2023	As at 31st March 2022
	Outstanding dues of micro enterprises and small enterprises (Refer note 34.1).	152.73	178.58
	Outstanding dues of creditors other than micro enterprises and small enterprises		
	- Others	1,988.65	1,914.98
	- Related parties	123.23	83.00
	Total	**2,264.61**	**2,176.56**

34.1 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 2023	As at 31st March 2022
Dues remaining unpaid at the year end:		
(a) The principle amount remaining unpaid to supplier as at the end of the accounting year	152.73	178.58
(b) The interest thereon remaining unpaid to supplier as at the end of the accounting year	121.95	113.58
(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	8.36	23.00
(e) Amount of interest accrued and remaining unpaid at the end of the accounting year	121.95	113.58
(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	0.98	4.99

34.2 Trade payables ageing schedule as at 31st March, 2023:

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) MSME	105.58	46.89	-	-	0.26	152.73
ii) Others	660.41	1,177.04	147.78	45.44	81.21	2,111.88
Total	**765.99**	**1,223.93**	**147.78**	**45.44**	**81.47**	**2,264.61**

34.3 Trade payables ageing schedule as at 31st March, 2022:

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) MSME	60.25	37.30	13.21	67.82	-	178.58
ii) Others	633.94	897.27	234.91	136.52	95.34	1,997.98
Total	**694.19**	**934.57**	**248.12**	**204.34**	**95.34**	**2,176.56**

35	Other financial liabilities	As at 31st March 2023	As at 31st March 2022
	Current		
	Interest accrued but not due - Kotak Bank	-	9.73
	Interest accrued and due:		
	- To banks and others	99.58	9,201.66
	- On bond deposit	102.03	106.76
	Current maturity of outstanding membership deposit	1,171.23	1,187.74
	Interest payable to MSME creditors	121.95	113.58
	Creditors for capital expenditure	71.10	49.62
	Security deposit	88.01	69.13
	Lease Premium payable (Refer note 35.1)	1,795.49	1,665.64
	Other payables *	585.50	425.64
	Total	**4,034.89**	**12,829.50**

*Other payable mainly consist of employee related dues and other accrued expenses

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

35.1 In respect of dispute over lease rent levied by Director of Sports, the Company has accounted for the liability amounting to Rs 1,795.49 lakhs (Previous year: Rs. 1,665.64 lakhs) for the period from 1st November 2014 to 31st March 2023; out of which a part payment of Rs.129.85 lakhs was made during the year. Further, during the year ended 31st March 2020, the Hon'ble Bombay High Court had appointed sole arbitrator to resolve the disputes. Interest / penalty, if any, will be accounted in the period / year in which dispute will be resolved. Since full provision has been made, the same has not been not disclosed as contingent liability.

Further, during the year the Company by invoking COVID-19 as the force majeure event, had applied to the authorities for waiver of lease rent during the lockdown imposed by the Government. The said application is pending and waiver, if any, will be accounted in the period / year in which it will be approved.

36

Other current liabilities	As at 31st March 2023	As at 31st March 2022
Advance from customers	463.55	285.42
Income received in advance (membership fees)	74.47	74.47
Income received in advance (others)	8.19	4.54
Deferred income on club deposits	1.14	2.05
Deferred advance rentals on security deposits	25.21	28.81
Statutory dues	1,980.96	1,682.86
Total	**2,553.52**	**2,078.15**

37

Provision	As at 31st March 2023	As at 31st March 2022
Current		
Provision for gratuity benefits (Refer note 50((ii)(a))(b))	45.71	42.59
Provision for leave benefits (Refer note 50((ii)(c))	55.68	70.22
Total	**101.39**	**112.81**

38

Revenue from operations	Year ended 31st March 2023	Year ended 31st March 2022
Sale of services		
Room income	17,269.32	7,592.32
Food and banquet income	10,636.29	5,778.56
Sub-total	**27,905.61**	**13,370.88**
Other operating revenue		
Income from time share business	143.57	185.59
Management and consultancy fees	176.93	101.04
Swimming and health club	89.08	52.56
Conference and banqueting services	799.48	409.74
Internet and telephone	1.00	0.94
Laundry services	56.96	28.97
Herbal sheesha services	14.59	-
Car rental and transportation	52.97	17.31
Membership fees	-	22.87
Miscellaneous services	95.71	51.97
License fees - shops and offices	104.45	102.09
Provisions for expected credit loss written back	24.12	-
Liabilities and Provisions written back	28.79	104.88
Sub-total	**1,587.65**	**1,077.96**
Total	**29,493.26**	**14,448.84**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

39	Other income	Year ended 31st March 2023	Year ended 31st March 2022
	Interest income on financial assets at amortised cost		
	- on fixed deposit with bank	49.50	45.21
	- on others	11.33	16.25
	- on loan to related parties	124.49	-
	Net gain on fair value changes of financial assets measured at amortised cost	1.42	-
	License fees - other properties	124.70	41.00
	Insurance claim received	55.90	-
	Profit on sale of property, plant and equipment (Net)	-	0.78
	Miscellaneous income	35.55	10.87
	Total	**402.89**	**114.11**

40	Consumption of food and beverage	Year ended 31st March 2023	Year ended 31st March 2022
	Opening stock	127.61	95.32
	Add: Purchases	2,499.03	1,525.80
		2,626.64	1,621.12
	Less: Closing stock	219.66	127.61
	Total	**2,406.98**	**1,493.51**

41	Employee benefits expense	Year ended 31st March 2023	Year ended 31st March 2022
	Salaries, wages and bonus	4,273.02	2,716.15
	- Contribution to provident and other funds	215.66	158.06
	- Provision for gratuity (Refer note 50 (ii)(a)(b))	77.48	68.14
	- Provision for leave benefit (Refer note 50 (ii)(c))	53.31	23.17
	Staff welfare expenses	291.16	172.61
	Total	**4,910.63**	**3,138.13**

42	Finance costs	Year ended 31st March 2023	Year ended 31st March 2022
	Interest expense at effective interest rate on borrowings which are measured at amortized cost	1,716.16	4,304.32
	Other borrowing costs	181.10	434.03
	Fair value of changes in financial liabilities (measured at amortized cost)	1.28	1.20
	Interest expense on lease liabilities (Refer note 51)	306.61	305.64
	Total	**2,205.15**	**5,045.19**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

43	Other expenses	Year ended 31st March 2023	Year ended 31st March 2022
	Operating expenses		
	Heat, light and power	1,672.06	1,165.43
	Rent (Refer note 51)	158.91	119.78
	Licenses, rates and taxes (Refer note 43.1 and 43.2)	622.95	577.47
	Repairs expenses for		
	- Buildings	649.70	232.50
	- Plant and Machinery	530.79	390.67
	- Others	311.27	192.46
	Expenses on apartments and boards	1,089.83	758.03
	Replacements of crockery, cutlery, linen, etc.	338.28	152.43
	Washing and laundry expenses	249.37	128.45
	Water charges	229.55	106.09
	Band and music expenses	219.06	107.74
	Management license fees and royalty	430.43	158.48
	Sub total(A)	**6,502.20**	**4,089.53**
	Sales and marketing expenses		
	Advertisement, publicity and sales promotion	327.17	218.33
	Travel agents' commission	709.78	276.68
	Other commission and charges	1,149.89	441.41
	Sub total(B)	**2,186.84**	**936.42**
	Administrative and general expenses		
	Communication expenses	151.86	149.83
	Printing and stationery	174.25	78.75
	Legal, professional and consultancy charges	1,604.40	220.87
	Directors' sitting fees	7.45	5.85
	Travelling and conveyance	322.95	218.46
	Insurance	126.76	109.35
	Bad debts (net)	6.90	4.96
	Less: Provision for expected credit loss	(6.90)	(4.96)
		-	-
	Provision for expected credit loss	5.48	125.96
	Net loss on fair value changes of financial assets measured at amortised cost	0.53	0.35
	Auditors' remuneration (Refer Note 43.3)	24.89	24.60
	Provision for doubtful import benefits - SEIS	1.08	-
	Sales Tax/Vat /Luxury Tax etc. including assessment dues	4.95	1.92
	Loss on sale / discard of property, plant and equipment (Net)	6.65	3.88
	Miscellaneous expenses	187.56	183.68
	Sub total(C)	**2,618.81**	**1,123.50**
	Total(A+B+C)	**11,307.85**	**6,149.45**

43.1 In earlier years, the subsidiary company (Orchid Hotels Pune Private Limited) had filed Arbitration Petition in Pune Court for deciding the disputes with the Director of Sports, Pune 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, the Company had filed Arbitration Petition before 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

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, 2021. Any adjustments of payment already deposited will be made subject to disposal of the cases.

43.3

Auditors' remuneration	**Year ended 31st March 2023**	**Year ended 31st March 2022**
Statutory audit fees	21.74	21.70
Tax audit fees	2.90	2.90
Other services	0.25	-
Total	**24.89**	**24.60**

Note: Above fees are exclusive of goods and service tax (GST).

44

Exceptional items - Income/(expense)	**Year ended 31st March 2023**	**Year ended 31st March 2022**
Income:		
Gain on settelment with lenders	11,807.46	-
Profit/Loss on Sale /Discard of Fixed Assets-Nagpur land	1,038.54	-
Provision for Impairment of Assets (P&L)	10,990.00	-
Total income	**23,836.00**	**-**

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.48.42 lakhs as at 31st March 2023 (Previous year: Rs. 22.50 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 Company in favour of debenture holders for mandatory redemption to the extent of 100% of sale proceeds or Rs. 12,500 lakhs (whichever is lower) out of the proceeds from sale of certain specified assets (if sold).

45.3 Contingent liability (to the extent not provided for)

Particulars		**As at 31st March 2023**	**As at 31st March 2022**
(i)	**Claims against the Group / disputed liabilities not acknowledged as debts**		
	Disputed direct tax demands	4,987.28	4,830.78
	Disputed indirect tax demands (amount paid under protest of Rs.22 lakhs)(Previous year:Rs 22 lakhs)	697.32	742.61
	Disputed claim of additional premium by the Director of Sports (Government of Maharashtra)	225.00	225.00
	Other claims against the Holding Company not acknowledged as debts (including employee claims)	624.12	627.83
(ii)	**Other money for which the Group is contingently liable**		
	Open import license	57.70	55.68
	Contingencies in respect of assigned loan	-	35,243.55

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

45.4 Contingent asset (to the extent not recognised)

Particulars	As at 31st March 2023	As at 31st March 2022
Tax subsidy receivable from MTDC under Package Scheme of Incentives (Since received Rs 16.36 lakhs)	26.97	26.97

45.5 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):

46.1 Summarised Balance Sheet as at 31st March 2023 and as at 31st March 2022

Particulars	As at 31st March 2023	As at 31st March 2022
Current assets	491.86	224.65
Non-current assets	2,474.56	2,723.98
Current liabilities	1,437.96	2,036.46
Non-current liabilities	26.85	337.97
Equity	**1,501.61**	**574.20**
Proportion of Group's ownership interest	0.33	0.33
Carrying amount of the Group's interest	273.16	-

46.2 Summarised Statement of Profit and Loss for the year ended 31st March 2023 and as at 31st March 2022.

Particulars	As at 31st March 2023	As at 31st March 2022
Revenue	**1,520.03**	**631.82**
Consumption of food and beverages	162.31	68.71
Employee benefits expense	229.76	139.00
Finance Cost	44.92	233.33
Depreciation and amortization expenses	182.78	187.28
Other expenses	411.66	258.47
Total expenses	**1,031.43**	**886.79**
Profit before tax	**488.60**	**(254.97)**
Add: Exceptional items	625.76	-
Less: Income tax expenses	185.45	(40.45)
Profit after tax	**928.91**	**(214.52)**
Add: Other comprehensive income	(1.50)	2.72
Total comprehensive income for the year	**927.41**	**(211.80)**
Group's share of total comprehensive income for the year (after intercompany profit elimination)	273.16	(41.33)

46.3 Summarised Statement of Cash Flow for the year ended 31st March, 2023 and as at 31st March, 2022

Particulars	As at 31st March 2023	As at 31st March 2022
Cash Flows from Operating activities	672.66	165.73
Cash Flows from Investing activities	(37.32)	(73.22)
Cash Flows from Financing activities	(430.05)	(120.87)
Net Increase / (Decrease) in cash & cash equivalent	**205.29**	**(28.36)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

46.4 The joint venture entity has following contingent liability and capital commitments:

Particulars	As at 31st March 2023	As at 31st March 2022
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.	29,750.00	38,583.00

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		**Part I**
	(Only where there are transactions)		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^, Savarwadi Rubber Agro 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^.
			Part II
			Envotel Hotels Himachal Private Limited (Formerly known as "Orchid Hotels Himachal Private Limited") upto 5th October, 2021
c)	Key Management Personnel (KMP & Director):	Executive Chairman & Managing Director	Dr. Vithal V. Kamat
		Non Executive Directors	Mr. Bipinchandra C.Kamdar (upto 30th September, 2020)
			Ms. Vidita V.Kamat (w.e.f 29th September, 2020)
			Mr. Sanjeev Rajgarhia (w.e.f. 28th August, 2020)
		Independent Directors	Mr. Vilas R. Koranne (w.e.f. 29th June 2021)
			Ms. Harinder Pal Kaur (w.e.f. 15th May, 2020)
			Mr. Ramnath P. Sarang (w.e.f. 27th May, 2019)
d)	Relatives of KMP		Mrs. Vidhya 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)	Post employments benefits plans		Kamat Hotels (India) Limited - Employees Gratuity Trust
f)	Key management personnel as per Companies Act, 2013	Chief Financial Officer	Mrs. Smita Nanda
		Company Secretary	Mr. Hemal Sagalia, (from 29th June 2021 to 10th March 2023)
			Ms. Ruchita Shah (from 8th February 2021 to 13th May 2021)

^ These entities are merged with Vishal Amusements Private Limited w.e.f. 16th May 2018.

KAMAT HOTELS (INDIA) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

(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 2023	Year ended 31st March 2022
Royalty fees for leasehold land	Plaza Hotels Private Limited	364.80	95.30
Loan given during the year		2,290.00	-
Loan taken during the year		295.75	-
Interest paid		7.22	-
Issue of share warrants / equity share		634.58	-
Interest earned		80.31	
Release of undertaking given towards repayment of loan taken by the company		1,837.92	-
Amount payable towards tax on Commission related Corporate Guarantee		1.91	2.29
Management fees - income	Ilex Developers & Resorts Limited	14.92	6.24
Amount recovered towards services (net of payments)		22.58	22.26
Laundry service expense		3.33	2.15
Taxes recovered on corporate guarantee commission		0.19	0.24
Release of corporate guarantee given by Company on behalf of Joint Venture		1,000.00	-
Release of security given for loan taken by Company (to the extent of outstanding loan)		799.68	-
Amount payable towards tax on Commission related Corporate Guarantee		0.21	0.35
Loan given during the year		1,260.00	-
Interest earned		44.19	-
Reimbursement of Expenses (Net)		13.65	6.61
Royalty expenses	Dr.Vithal V.Kamat	7.36	4.34
Release of pledged shares for term loan taken by the company		1,527.37	-
Issue of share warrants/ equity share		571.19	-
Remuneration paid	Mr.Vishal V.Kamat	59.21	48.16
Issue of share warrants		142.98	-
Director Sitting fees	Mr. Ramnath Sarang	1.50	1.00
	Ms.Harinder Pal Kaur	1.25	1.00
	Mr. Sanjeev B. Rajgarhia	1.25	1.00
	Ms.Vidita V.Kamat	1.00	1.00
	Mr.Vilas Ramchandra Koranne	1.25	0.75
Release of pledged shares for term loan taken by the company	Vishal Amusements Limited	848.68	-
Amount payable towards Tax on Commission related Corporate Guarantee		0.16	0.20
Interest Paid	Talent Hotels Private Limited	15.40	-
Release of undertaking given towards repayment of loan taken by the company		2,375.26	-
Loan taken during the year		1,122.44	-
Loan repaid during the year		657.46	-
Transfer of materials	Envotel Hotels Himachal Private Limited	-	0.03
Management fees - income		-	2.06
Reimbursement of expenses (net)		-	0.04
Contribution to post employment benefit plan	Kamat Hotels (India) Limited - Employees gratuity trust	19.48	12.13

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

47.3 Related party outstanding balances:

Nature of transaction	Name of the party	As at 31st March, 2023	As at 31st March, 2022
Corporate guarantee given by Kamat Hotels (India) Limited on behalf of Jont Venture Company	Ilex Developers & Resorts Limited	-	1,000.00
Security given for loan taken by Kamat Hotels (India) Limited (to the extent of outstanding loan)		-	799.68
Trade receivable (net)		6.65	2.18
Advance given		1,260.00	-
Interest receivable on above advance		39.77	-
Security deposits taken (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		234.37	85.08
Advance given		2,290.00	-
Interest receivable on above advance		72.28	-
Advance taken		295.75	-
Interest payable on above advance		6.50	-
Undertaking given towards repayment of loan taken by the company		-	1,837.92
Undertaking given towards repayment of loan taken by the company	Talent Hotels Private Limited	-	2,375.26
Advance taken		464.98	-
Interest payable on above advance		13.86	-
Amount payable	Vishal Amusements Limited	0.16	0.20
Pledge of shares for term loan taken by the company		-	848.68
Royalty payable	Dr. Vithal V. Kamat	2.86	1.10
Pledge of shares for term loan taken by the company		-	1,527.37

Notes:

(a) Transactions with related parties and outstanding balances at the year end are disclosed at transaction value.

(b) Entities as mentioned in 47.1(b) have pledged their shares held in the company for loans taken by the Company.

(c) In addition to above transactions,

(i) In earlier year Ilex Developers & Resorts Limited, Plaza Hotels Private Limited, Kamat Holiday Resorts (Silvassa) Limited, Dr. Vithal V. Kamat, Mr. Vikram V. Kamat had given joint corporate guarantee amounting to Rs. 38,583.00 lakhs to banks/ others for credit facilities availed by the Holding Company [Share of respective entities/ persons is not quantifiable], which is released during the year ended 31st March, 2023.

(ii) Ilex Developers & Resorts Limited, Plaza Hotels Private Limited, Kamat Development Private Limited, Savarwadi Rubber Agro Private Limited, Greenboom Developers & Resorts Limited, Vishal Amusements Limited, Dr. Vithal V. Kamat, Mr. Vishal V. Kamat have given joint corporate/personal guarantee amounting to Rs. 29,750.00 lakhs (Previous year: Rs.Nil) for 29,750 14% Secured Rated Listed Redeemable Non Convertible Debentures face value of Rs. 1,00,000/- each facilities availed by Holding Company from Debenture Holder.[Share of respective entities/ persons is not quantifiable].

(iii) Securities held by Talent Hotels Private Limited & Promoters / Promoters Company in Holding Company, Ilex Developers & Resorts Limited and Plaza Hotels Private Limited has been pledge with debenture trustee to secure 29,750 14% Secured Rated Listed Redeemable Non Convertible Debentures face value of Rs. 1 lakhs each..[Share of respective entities/ persons is not quantifiable].

(iv) Plaza Hotels Private Limited has mortgaged its property situated at Vile Parle east Mumbai as security in favour of debenture trustee to secure 29,750 14% Secured Rated Listed Redeemable Non Convertible Debentures face value of Rs. 1,00,000/- each.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

(v) Ilex Developers & Resorts Limited, Plaza Hotels Private Limited & Savarwadi Rubber Agro Private Limited, have hypothecated its current asset and all receivable with debenture trustee to secure 29,750 14% Secured Rated Listed Redeemable Non Convertible Debentures face value of Rs. 1 lakhs each.

(vi) Plaza Hotels Private Limited, Vishal Amusements Limited, Dr Vithal V. Kamat, Mr Vishal V. Kamat had given joint corporate / personal guarantee amounting to Rs. 2,135.56 lakhs to bank for credit facilities availed by the Company [Share of respective entities/ persons is not quantifiable], which is released during the year.

(vii) 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 trustee against issue of Secure 14% Rated Listed Redeemable Non Convertible Debentures by Company. (Refer note 26).

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 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. 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.

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 as specified in para 47.1 (c) above:

Particulars	As at 31st March, 2023	As at 31st March, 2022
Sitting fees	6.25	4.75
Total	**6.25**	**4.75**

(b) Compensation to KMP as specified in 47.1(f) above [Other than disclosed 47(a)]

Particulars	As at 31st March, 2023	As at 31st March, 2022
Short term employee benefits*		
Mrs. Smita Nanda	28.43	22.12
Ms. Ruchita Shah	-	1.34
Mr. Hemal Sagalia	14.72	9.67
Total	**43.15**	**33.13**

*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	As at 31st March, 2023	As at 31st March, 2022
Basic and diluted earning per share		
Profit attributable to the equity holders of the group	31,288.27	(2,267.18)
Weighted average number of equity shares (Refer note 25.5)	2,36,48,479	2,35,84,058
Face value per equity share (Rs.)	10	10
Basic and diluted earnings per share (Rs.)	132.31	(9.61)

Refer note 25.5 for potential share transaction.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

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:

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provident fund	68.92	55.80
Pension fund	111.98	77.24
Employees' state insurance (ESIC)	34.26	24.67
Maharashtra labour welfare fund	0.49	0.33
Total	**215.65**	**158.04**

(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	As at 31st March 2023	As at 31st March 2022
Discount Rate (per annum)	7.30%	6.40%
Rate of Return on Plan Assets (per annum)	7.30%	6.45%
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 (2012-14)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

Changes in the present value of obligations	**As at 31st March 2023**	**As at 31st March 2022**
Liability at the beginning of the year	331.41	369.67
Interest cost	18.83	20.16
Current service cost	41.77	40.81
Benefits paid	(34.56)	(73.37)
Actuarial (gain) / loss on obligations	(25.00)	(25.86)
Liability at the end of the year	**332.45**	**331.41**

Changes in the fair value of plan assets	**As at 31st March 2023**	**As at 31st March 2022**
Opening fair value of plan assets	45.95	102.74
Expected return on plan assets	1.90	5.33
Employers contribution	19.48	12.13
Benefits paid	(34.56)	(73.37)
Actuarial gain / (loss) on plan assets	0.66	(0.88)
Closing fair value of plan assets	**33.43**	**45.95**

Table of recognition of actuarial gain / loss	**As at 31st March 2023**	**As at 31st March 2022**
Actuarial (gain) / loss on obligation for the year	(25.00)	(25.86)
Actuarial (gain) / loss on assets for the year	0.67	(0.88)
Actuarial (gain) / loss recognised in other comprehensive income	**(25.67)**	**(24.98)**

Breakup of actuarial (gain) /loss:	**As at 31st March 2023**	**As at 31st March 2022**
Actuarial loss arising from change in financial assumption	(14.55)	(5.81)
Actuarial (gain) / loss arising from experience	(10.45)	(20.05)
Actuarial (gain) / loss on plan assets	(0.67)	0.88
Actuarial (gain) / loss recognised in other comprehensive income	**(25.67)**	**(24.98)**

Liability recognized in the Balance Sheet:	**As at 31st March, 2023**	**As at 31st March, 2022**
Liability at the end of the year	332.45	331.41
Fair value of plan assets at the end of the year	(33.43)	(45.95)
Amount Recognized in the Balance Sheet	**299.02**	**285.46**

Expenses recognized in the Statement of profit and loss:	**As at 31st March 2023**	**As at 31st March 2022**
Current service cost	41.77	40.81
Interest cost	18.83	20.16
Expected return on plan assets	(1.90)	(5.33)
Actuarial (gain) / loss	(25.67)	(24.98)
Expense / (income) recognized in		
-Statement of profit and loss	58.71	55.64
-other comprehensive income	(25.67)	(24.98)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

Balance sheet reconciliation	**As at 31st March, 2023**	**As at 31st March, 2022**
Opening net liability	285.46	266.93
Expense recognised in Statement of Profit and Loss	33.04	30.65
LIC contribution during the year	(19.48)	(12.13)
Amount Recognized in Balance Sheet	**299.02**	**285.45**
-Non-Current portion of defined benefit obligation	254.61	243.68
-Current portion of defined benefit obligation	44.41	41.77

Sensitivity analysis of benefit obligation (Gratuity)

Particulars	**As at 31st March, 2023**	**As at 31st March, 2022**
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%	324.89	323.44
b) Impact due to decrease of 0.5%	340.37	339.78
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%	340.10	339.15
b) Impact due to decrease of 0.5%	325.06	323.69
c)Impact of change in withdrawal rate		
Present value of obligation at the end of the year		
a) withdrawal rate Increase of 10%	332.56	330.95
b) withdrawal rate decrease of 10%	332.25	331.84
d)Impact of change in mortality rate		
Present value of obligation at the end of the year		
a) Impact due to increase of 10%	332.52	331.45
b) Impact due to decrease of 10%	332.38	331.36

Maturity profie of defined benefit obligation

Particulars	**As at 31st March 2023**	**As at 31st March 2022**
Weighted average duration of the defined benefit obligation years	4.97	5.15
Projected benefit obligation amount	332.45	331.41

Payout analysis

Particulars	**As at 31st March 2023**	**As at 31st March 2022**
1st year	76.52	74.29
2nd year	37.54	38.44
3rd year	49.38	35.04
4th year	37.84	44.35
5th year	36.81	32.61
Next 5 year payout (6-10 year)	143.19	135.93

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

(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	**As at 31st March, 2023**	**As at 31st March, 2022**
Discount Rate (per annum)	7.45%	7.15%
Salary Escalation (per annum)	8.00%	8.00%
Attrition Rate (per annum)	5.00%	5.00%
Mortality Rate	Indian Assured lives Mortality (2012-14)	Indian Assured lives Mortality (2012-14)

Changes in the present value of obligations	**As at 31st March, 2023**	**As at 31st March, 2022**
Liability at the beginning of the year	32.66	29.02
Interest cost	2.31	1.93
Current service cost	16.45	10.57
Benefits paid	(1.39)	(2.45)
Actuarial (gain) / loss on obligations	(10.78)	(6.41)
Liability at the end of the year	**39.25**	**32.66**

Table of recognition of actuarial (gain) / loss	**As at 31st March, 2023**	**As at 31st March, 2022**
Actuarial (gain) / loss on obligation for the year	(10.78)	(6.41)
Actuarial (gain) / loss on assets for the year	-	-
Actuarial (gain) / loss recognised in other comprehensive income	**(10.78)**	**(6.41)**

Breakup of actuarial (gain) / loss:	**As at 31st March, 2023**	**As at 31st March, 2022**
Actuarial loss / (gain) arising from change in demographic assumption	-	-
Actuarial loss arising from change in financial assumption	(1.36)	(1.18)
Actuarial loss / (gain) arising from experience	(9.42)	(5.23)
Total	**(10.78)**	**(6.41)**

Amount recognized in the Balance Sheet:	**As at 31st March 2023**	**As at 31st March 2022**
Liability at the end of the year	39.25	32.66
Fair value of plan assets at the end of the year	-	-
Amount Recognized in the Balance Sheet	**39.25**	**32.66**

Expenses recognized in the Statement of profit and loss:	**As at 31st March, 2023**	**As at 31st March, 2022**
Current service cost	16.45	10.57
Interest cost	2.31	1.93
Expense recognized in statement of profit and loss	**18.76**	**12.50**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

Balance sheet reconciliation	**As at 31st March 2023**	**As at 31st March 2022**
Opening net liability	32.66	29.02
Expense recognised in Statement of Profit and Loss	18.76	12.50
Expense / (income) recognised in Other comprehensive income	(10.78)	(6.41)
Benefits paid	(1.39)	(2.45)
Amount Recognized in Balance Sheet	**39.25**	**32.66**
Non current portion of defined benefit obligation	37.95	31.85
Current portion of defined benefit obligation	1.30	0.81

Sensitivity analysis of benefit obligation

Particulars	**As at 31st March, 2023**	**As at 31st March, 2022**
a)Impact of change in discount rate		
Present value of obligation at the end of the year		
a) Impact due to increase of 1%	37.13	30.82
b) Impact due to decrease of 1%	41.55	34.66
b)Impact of change in salary growth		
Present value of obligation at the end of the year		
a) Impact due to increase of 1%	41.40	34.55
b) Impact due to decrease of 1%	37.20	30.87
c)Impact of change in attrition rate		
Present value of obligation at the end of the year		
a) Impact due to increase of 1%	38.96	32.37
b) Impact due to decrease of 1%	39.54	32.95
d)Impact of change in mortality rate		
Present value of obligation at the end of the year		
a) Impact due to increase of 10%	39.25	32.65
b) Impact due to decrease of 10%	39.24	32.66

Maturity profie of defined benefit obligation

Particulars	**As at 31st March 2023**	**As at 31st March 2022**
Weighted average duration of the defined benefit obligation	11.16	11.57

Payout analysis

Particulars	**As at 31st March 2023**	**As at 31st March 2022**
1st year	1.30	0.81
2nd year	1.76	1.23
3rd year	1.63	1.64
4th year	1.83	1.59
5th year	5.67	1.73
Next 5 year payout (6-10 year)	15.69	14.39

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

(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.

For determination of the liability in respect of compensated absences, the group has used following actuarial assumptions:

For determination of the liability in respect of compensated absences, the group has used following actuarial assumptions:

Particulars	As at 31st March, 2023	As at 31st March, 2022
Discount rate	6.40% - 7.15%	6.40% - 7.15%
Salary escalation	6.50% - 8.00%	6.50% - 8.00%
Attrition rate	5.00%-10.00%	5.00%-10.00%
Mortality rate	Indian Assured lives Mortality (2012-14)	Indian Assured lives Mortality (2012-14)

Changes in the present value of obligations:

Particulars	As at 31st March, 2023	As at 31st March, 2022
Liability at the beginning of the year	240.55	258.53
Interest cost	12.38	13.28
Current service cost	28.26	43.97
Benefits paid	(48.26)	(41.15)
Actuarial (gain) / loss on obligations	12.68	(34.08)
Liability at the end of the year	**245.61**	**240.55**

Table of recognition of actuarial (gain) / loss :

Particulars	As at 31st March, 2023	As at 31st March, 2022
Actuarial (gain) / loss on obligation for the year	12.68	(34.08)
Actuarial (gain) / loss on assets for the year	-	-
Actuarial (gain) / loss recognized in Statement of Profit and Loss	**12.68**	**(34.08)**

Amount recognized in the Balance Sheet:

Particulars	As at 31st March 2023	As at 31st March 2022
Liability at the end of the year	245.60	240.54
Fair value of plan assets at the end of the year	-	-
Amount recognized in the Balance Sheet	**245.60**	**240.54**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

Expenses recognized in the Statement of profit and loss:

Particulars	As at 31st March, 2023	As at 31st March, 2022
Current service cost	28.26	43.96
Interest cost	12.39	13.29
Actuarial (Gain)/Loss	12.68	(34.09)
Expense recognized in Statement of Profit and Loss	**53.33**	**23.16**

Balance Sheet Reconciliation

Particulars	As at 31st March 2023	As at 31st March 2022
Opening net liability	240.54	258.53
Expense recognised in Statement of Profit and Loss	53.33	23.16
Benefits Paid	(48.26)	(41.15)
Amount recognized in Balance Sheet	**245.60**	**240.54**
Non-current portion of defined benefit obligation	189.92	170.33
Current portion of defined benefit obligation	55.68	70.22

Sensitivity analysis of benefit obligation (Leave encashment)

Particulars	As at 31st March, 2023	As at 31st March, 2022
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%	239.89	211.25
b) Impact due to decrease of 0.5%	251.61	222.19
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%	251.61	222.14
b) Impact due to decrease of 0.5%	239.85	211.24
c)Impact of change in withdrawal rate		
Present value of obligation at the end of the year		
a) withdrawal rate Increase of 1% to 10%	245.92	216.48
b) withdrawal rate decrease of 1% to 10%	245.25	216.66
d)Impact of change in mortality rate		
Present value of obligation at the end of the year		
a) Impact due to increase of 1% of 10%	198.13	216.58
b) Impact due to decrease of 1% to 10%	198.09	181.86

Maturity profile of defined benefit obligation

Particulars	As at 31st March 2023	As at 31st March 2022
Weighted average duration of the defined benefit obligation	7.67	7.81
Projected benefit obligation	253.10	245.80

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

Payout analysis

Particulars	As at 31st March 2023	As at 31st March 2022
1st year	55.69	51.72
2nd year	33.79	27.52
3rd year	34.54	25.50
4th year	25.81	29.24
5th year	30.00	18.42
Next 5 year payout (6-10 year)	91.83	77.51

51 Leases

I) Group as lessee:

The Group has taken hotel property under cancellable leases. The Group has recognised management fees/ rent expenses of Rs. 579.44 lakhs during the year (Previous Year Rs. 236.95 lakhs) 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 2023.

b) For depreciation and carrying value of right of use asset, refer table below:

ROU asset	Carrying value as at year ended 31st March 2023	Depreciation for the year ended 31st March 2023
Land & building	2,018.27	50.90

ROU asset	Carrying value as at year ended 31st March 2022	Depreciation for the year ended 31st March 2022
Land & building	2,069.17	50.89

c) Disclosure with respect to lease under Ind AS-116 Leases:

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Interest expense on lease liabilities	306.61	305.64
Lease expenses debited to lease liabilities	286.80	285.32
Total cash outflow for leases [incl. short term & low value leases]	176.90	174.08
Variable lease payments not considered in measurement of lease liabilities	579.44	236.95

II) Group as a lessor

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. 209.23 lakhs (Previous year Rs. 125.94 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 2023	As at 31st March 2022
Not later than one year	180.59	118.10
Later than one year and not later than five years	371.17	228.63
Later than five years	279.30	290.36
	831.06	**637.09**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

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 2023.

52

Assets classified as Held For Sale	As at 31st March 2023	As at 31st March 2022
Property, plant and equipment (Refer note 5)	8,372.50	-
Other intangible assets (Refer note 9)	3.87	-
Total	8,376.37	-

52.1 During the year ended 31st March, 2023, the Company has entered into a binding term sheet with a buyer agreeing to transfer one of the hotel properties at an agreed value of Rs. 12,500.00 lakhs on or before 12 months from the date of term sheet (i.e. 18th January, 2023). The Company has received Rs. 100.00 lakhs as advance as agreed in the said term sheet. The resultant gain on the said transaction will be accounted in the period / year in which final agreement is executed.

53 Note on Statement of Cash Flow

i) The aggregate amount of outflow on account of direct taxes paid is Rs. 363.34 lakhs (Previous year: net inflow Rs. 91.97 lakhs) after refunds received.

ii) Changes in financing liabilities arising from cash and non-cash changes:

Particulars	Opening Balance	Cash flows / (outflows)	Non-cash changes		Closing Balance
			Others	Interest accruals	
For the year ended 31st March 2023					
Borrowings (including interest dues)	53,309.04	(11,142.49)	-	(9,332.70)	32,833.85
Lease liabilities	1,896.34	(176.90)	-	306.61	1,897.17
For the year ended 31st March 2022					
Borrowings (including interest dues)	50,494.76	(1,499.34)	-	4,313.62	53,309.04
Lease liabilities	1,894.63	(174.08)	-	305.64	1,896.34

iii) Breakup of cash and cash equivalent is as given below:

Particulars	As at 31st March 2023	As at 31st March 2022
Cash and cash equivalent as per note 19	922.33	2,253.86
Net cash and cash equivalent as disclosed in statement of cash flow	**922.33**	**2,253.86**

54 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 2023 and 31st March 2022.

55 Loans or Advances in the nature of loans are granted to promoters, Directors, KMPs and the related parties, which are repayable on demand

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoter	2,290.00	65%
Joint venture	1,260.00	35%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

56 Going concern assumption

i) As per the standalone financial statements of Holding Company, current liabilities are significantly greater than the current assets as on 31st March, 2023 and 31st March, 2022. In the opinion of the management, considering the revival of hospitality business, positive networth as on 31st March 2023, positive earnings before interest, taxes and depreciation (EBITDA) for the year ended 31st March, 2023 and year ended 31st March, 2022, increase in operations and profit during the current year, settlement of secured debts due to ARCs, settlement of loan given to subsidiary which was fully provided in earlier year, reversal of provision for diminution in value of Investment in Subsidiary Company (OHPPL), signing of term sheet for proposed sale of one of the hotel properties and issue of NCDs, considering the future business prospects and the fair value of the assets of the Holding Company being significantly higher than the borrowings / debts, the standalone statement of Holding Company have been prepared on a going concern basis which contemplates realisation of assets and settlement of liabilities in the normal course of the Holding Company's business.

ii) As on 31st March, 2023 the Subsidiary Company's (OHPPL) current liabilities substantially exceed the current assets. However, during the year, its net worth turned positive, considering the remarkable improvement in performance of the Subsidiary Company which has resulted into profits in the year ended 31st March, 2023 and previous year; infusion of funds by the Holding Company to settle dues to IARC, the Holding Company agreeing to substantially waive old unsecured loans and interest outstanding; continued operational as well as financial support from Holding Company; review of present value of the property and reversal of provision for impairment of Property, Plant and Equipment made in the earlier years and management's action to mitigate the impact of COVID-19, in the opinion of the management of Subsidiary Company, the financial statements are prepared on going concern basis.

iii) During the year Subsidiary Company (MPPL) has incurred losses in the current year as well as previous year. Its net worth is fully eroded. In the opinion of the management of Subsidiary Company, 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) opportunity to expand the hotel capacity; (c) commitment from the Holding Company for financial support from time to time and (d) management's action to mitigate the impact of COVID-19.

iv) As per the consolidated financial statements current liabilities are significantly greater than the current assets as on 31st March, 2023 and 31st March, 2022. In the opinion of the management, considering the revival of hospitality business, positive networth as on 31st March 2023, positive earnings before interest, taxes and depreciation (EBITDA) for the year ended 31st March, 2023 and year ended 31st March, 2022 , increase in operations and profit during the current year at consolidated level, signing of term sheet for proposed sale of one of the hotel properties & issue of NCDs by the Holding Company. In view of the above and in the opinion of management, the consolidated financial statements have also been prepared on a going concern basis.

57 The Holding company and the subsidiary company (OHPPL) are in the process of appointing Company Secretary (key managerial personnel) as required by Section 203 of the Companies Act, 2013.

58 The Group's business during the previous year ended 31st March, 2022 was affected on account of third wave of COVID-19. During the current year, there was strong recovery in the hospitality business on account of pick up in leisure and business travel. The Group will continue to closely monitor the future economic conditions and assess its impact on financial performance. Therefore, financial statement for the year ended 31st March, 2023 are not comparable with the financial statement of the previous year.

59 Other Statutory Information

(i) The Group does not have any Benami property. No proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The Group has not advanced to or loaned to or invested funds in any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that such Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(iii) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(iv) The Group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as search or survey or any other relevant provisions of the Income Tax Act, 1961)

(v) The Group has not been declared as a wilful defaulter as prescribed by Reserve Bank of India.

(vi) During the year, the Group did not have transactions with any company which was struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

60 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, 2023

Name of the Entity	Net Assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated other comprehensive income	Amount	As % of Consolidated total comprehensive income	Amount
Holding Company								
Kamat Hotels (India) Limited	157.80%	24,315.58	83.68%	26,180.71	0.64	19.21	83.66%	26,199.93
Subsidiaries								
Orchid Hotels Pune Private Limited	29.51%	4,547.49	107.61%	33,667.84	0.36	10.78	107.54%	33,678.82
Kamats Restaurants (India) Pvt Ltd	-0.01%	(1.84)	0.00%	(0.27)	-	-	0.00%	(0.27)
Mahodadhi Palace Private Limited	-9.81%	(1,512.13)	-0.04%	(11.30)	-	-	-0.04%	(11.30)
Fort Jadhavgadh Hotels Private Limited	-0.02%	(2.90)	0.00%	(0.32)	-	-	0.00%	(0.32)
Orchid Hotel Eastern (India) Pvt Ltd.	0.23%	35.27	0.00%	1.42	-	-	0.00%	1.42
(Formely known as Green Dot Restaurant Private Limited)								
Joint Venture								
Ilex Developers and Resorts Limited	0.00%	-	2.97%	928.91	-0.05	(1.50)	0.87%	273.16
Consolidation Adjustment / Eliminations	-77.70%	(11,972.58)	-94.22%	(29,478.74)	-	-	-92.03%	(28,823.18)
Total	**100.00**	**15,408.89**	**100.00**	**31,288.27**	**100.00**	**29.99**	**100.00**	**31,318.26**

As at 31st March, 2022

Name of the Entity	Net Assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated other comprehensive income	Amount	As % of Consolidated total comprehensive income	Amount
Holding Company								
Kamat Hotels (India) Limited	22.59	(4,091.69)	98.55%	(2,234.40)	0.74	18.69	98.82	(2,215.71)
Subsidiaries								
Orchid Hotels Pune Private Limited	160.80	(29,131.13)	-0.99%	22.42	0.26	6.41	(1.29)	28.83
Kamats Restaurants (India) Pvt Ltd	0.01	(1.57)	0.02%	(0.43)	-	-	0.02	(0.43)
Mahodadhi Palace Private Limited	8.28	(1,500.83)	1.75%	(39.57)	-	-	1.76	(39.57)
Fort Jadhavgadh Hotels Private Limited	0.01	(2.58)	0.02%	(0.47)	-	-	0.02	(0.47)
Orchid Hotel Eastern (India) Pvt Ltd.	(0.19)	33.85	-0.06%	1.41	-	-	(0.06)	1.41
(Formely known as Green Dot Restaurant Private Limited)								
Joint Venture								
Ilex Developers and Resorts Limited	-	-	-	-	-	-	1.84	(41.33)
Consolidation Adjustment / Eliminations	(91.50)	16,577.24	-0.71%	16.14	-	-	(1.12)	25.19
Total	**100.00**	**(18,116.71)**	**100.00**	**(2,267.18)**	**100.00**	**25.10**	**100.00**	**(2,242.08)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

61 Financial instruments - Accounting classifications & fair value measurement

(a) Financial instruments by category

Sr. No.	Particulars	31st March 2023			31st March 2022		
		Amortised Cost	FVTOCI	FVTPL	Amortised Cost	FVTOCI	FVTPL
A	**Financial assets**						
(i)	Non-current investments	-	-	17.98	-	-	17.72
(ii)	Non-current loans	3,550.00	-	-	-	-	-
(iii)	Other non-current financial assets	2,317.00	-	-	2,234.16	-	-
(iv)	Trade receivables (net)	881.76	-	-	986.29	-	-
(v)	Cash and cash equivalents	922.33	-	-	2,253.86	-	-
(vi)	Other bank balances	1,429.84	-	-	96.16	-	-
(vii)	Other current financial assets	143.29	-	-	57.72	-	-
(viii)	Investments	-	-	7.55	-	-	6.61
(ix)	Loans	0.87	-	-	0.04	-	-
	Total financial assets	**9,245.09**	**-**	**25.53**	**5,628.23**	**-**	**24.33**
B	**Financial liabilities**						
(i)	Non-current borrowings	18,870.22	-	-	3,972.76	-	-
(ii)	Lease liabilities - non-current	1,746.39	-	-	1,722.91	-	-
(iii)	Other non-current financial liabilities	108.38	-	-	97.20	-	-
(iv)	Trade payables	2,264.61	-	-	2,176.56	-	-
(v)	Borrowings - current	13,864.05	-	-	40,124.89	-	-
(vi)	Lease liabilities - current	150.78	-	-	173.43	-	-
(vii)	Other current financial liabilities	4,034.89	-	-	12,829.50	-	-
	Total financial liabilities	**41,039.32**	**-**	**-**	**61,097.25**	**-**	**-**

FVTOCI - Fair Value Through Other Comprehensive Income

FVTPL - Fair Value Through Profit or Loss

Note: Above disclosure excludes investments (gross) in joint venture 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, Borrowings, Financial liabilities, Trade payables, Current lease liabilities, Other current financial liabilities etc., 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

(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 2023		31st March 2022	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets					
Non-current investments	Level 1	0.14	0.14	0.06	0.06
Non-current investments	Level 2	17.84	17.84	17.66	17.66
Current investments	Level 1	7.55	7.55	6.61	6.61
Total financial assets		**25.53**	**25.53**	**24.33**	**24.33**

Notes:

(i) The Group has not disclosed the fair value of financial instruments such as trade receivables, trade payables, short term loans, deposits, borrowings etc. because their carrying amounts are a reasonable approximation 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 year ended 31st March, 2023 & 31st March, 2022.

(e) Financial / bank guarantee contract

Particulars	As at 31st March 2023	As at 31st March 2022
(a) Corporate guarantee given to a bank in respect of credit facilities availed by Joint Venture Company	-	1,000.00
(b) Counter guarantee issued by the Company to secure bank guarantee obtained by the Company	23.50	32.34

62 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 TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

(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 2023	31st March 2022
Balance at the beginning	1,643.00	1,522.00
Less: Utilized	-	4.96
	1,643.00	1,517.04
Add / (Less): Provision for ECL made in the year / (written back)	5.48	125.96
Balance at the year end	**1,648.48**	**1,643.00**

(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 2023				
Borrowings	13,864.05	18,870.22	-	32,734.27
Lease liabilities	150.78	652.05	1,045.00	1,847.83
Trade payables	2,264.61		-	2,264.61
Other financial liabilities	87.07	-	21.31	108.38
Other current financial liabilities	4,034.89	-	-	4,034.89
As at 31st March 2022				
Borrowings	40,124.89	3,972.76	-	44,097.65
Lease liabilities	173.43	677.91	1,045.00	1,896.34
Trade payables	2,176.56	-	-	2,176.56
Other financial liabilities	75.89	-	21.31	97.20
Other current financial liabilities	12,829.50	-		12,829.50

(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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

(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.Nil as at 31st March 2023 (as at 31st March 2022 Rs. 3,284.00 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 subsidiaries (Orchid Hotels Pune Private Limited), it has not provided / paid any interest on the loan. 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.

63 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).

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 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 2023	As at 31st March 2022
Total debt*	18,870.22	3,972.76
Total capital (total equity shareholder's fund)	15,408.89	(18,116.71)
Net debt to equity ratio	**1.22**	**NA**

*** Total debt = Non-current borrowings + current borrowings + current maturities of non-current borrowings**

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

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

Milan Mody
Partner
Membership No. 103286

Place: Mumbai
Date: 27th May, 2023

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

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

Ramnath P. Sarang
Director
(DIN : 02544807)

Smita Nanda
Chief Financial Officer

Place: Mumbai
Date: 27th May, 2023

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 / (loss) Before Taxation/ after exceptional	Provision for Taxation	Profit after Taxation	Other -Compre-hensive Income	Total Compre-hensive Income	Proposed Dividend	% of Share-holding
1	Orchid Hotels Pune Private Limited	21/05/2009	2022-2023	INR	1,176.47	3,371.02	27,260.76	22,713.27	-	7,486.94	33,667.84	-	33,667.84	10.78	33,678.62	Nil	100%
			2021-2022	INR	1,176.47	(30,307.60)	17,532.28	46,663.41	-	3,856.05	22.42	-	22.42	6.41	28.83	Nil	100%
2	Kamats Restaurants (India) Private Limited	28/05/2011	2022-2023	INR	1.00	(2.84)	0.27	2.11	-	0.18	(0.27)	-	(0.27)	-	(0.27)	Nil	100%
			2021-2022	INR	1.00	(2.57)	0.19	1.76	-	-	(0.43)	-	(0.43)	-	(0.43)	Nil	100%
3	Mahodadhi Palace Private Limited	30/04/2011	2022-2023	INR	1.00	(1,513.13)	1,177.12	2,689.25	-	57.18	(9.33)	(1.97)	(11.30)	-	(11.30)	Nil	100%
			2021-2022	INR	1.00	(1,501.83)	1,175.88	2,676.71	-	24.63	(43.94)	4.37	(39.57)	-	(39.57)	Nil	100%
4	Fort Jadhavgadh Hotels Private Limited	15/03/2012	2022-2023	INR	1.00	(3.90)	1.26	4.16	-	0.18	(0.32)	-	(0.32)	-	(0.32)	Nil	100%
			2021-2022	INR	1.00	(3.58)	0.18	2.76	-	-	(0.47)	-	(0.41)	-	(0.41)	Nil	100%
5	Orchid Hotels Eastern (India) Private Limited	25/10/2012	2022-2023	INR	1.00	34.27	35.31	0.04	-	2.31	1.91	0.49	1.42	-	1.42	Nil	100%
			2021-2022	INR	1.00	32.85	34.09	0.24	-	2.27	1.90	0.49	1.41	-	1.41	Nil	100%

Part "B": Joint Venture

Sr. No.	Name of the Joint Venture	Latest Audited Balance Sheet date	Date on which the Joint Venture was acquired	Shares held by the Company on the year end			Networth attributable to shareholding as per latest audited Balance Sheet	Profit/(Loss) for the year		Description of how there is significant influence	Reason why the Joint Venture is not consolidated
				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		
1	Ilex Developers & Resorts Limited	31 March 2023	23 March 2010	266500	533.00	32.92%	494.33	273.16	654.25	32.92% Shareholding	not a subsidiary
		31 March 2022		266500	533.00	32.92%	189.03	(41.33)	(170.47)	32.92% Shareholding	not a subsidiary

Financial Highlights of the Company (Standalone)

Rs. in lakhs

Particulars	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
Income from operations	22,359.54	10,818.68	5,162.26	17,868.93	19,239.08	17,528.61	15,466.91	15,084.55	13,331.29	13,405.76	13,831.97
Other Income	729.58	60.59	100.49	89.99	180.19	497.10	995.51	731.65	599.34	2,273.30	2,455.29
Total Income	23,089.12	10,879.27	5,262.75	17,958.92	19,419.27	17,528.61	16,462.42	15,816.20	13,930.63	15,679.06	16,287.26
Total Expenditure	16,384.42	13,849.43	9,350.68	16,734.71	15,837.02	14,172.05	14,449.49	16,369.34	20,400.20	40,489.66	17,203.91
Profit/(Loss) Before Tax (including Exceptional items)	26,516.71	(2,970.16)	(3,714.76)	3,593.49	3,582.25	5,108.46	3,482.94	(553.14)	(6,469.57)	(24,810.60)	(916.65)
Taxation	335.99	(735.76)	(957.56)	23.90	1,075.29	*1,319.43*	24.99	(117.17)	(553.88)	(1,549.91)	(350.26)
Profit/(Loss) After Tax	26,180.72	(2,234.40)	(2,757.20)	3,569.59	2,506.96	3,789.03	3,817.95	(8,528.27)	(5,915.69)	(23,260.69)	(566.39)
Equity Share Capital	2,524.14	2,417.26	2,417.26	2,417.26	2,417.26	2,417.26	2,417.26	2,417.26	2,417.26	2,417.26	1,968.19
Reserves and Surplus	21,791.44	(6,508.95)	(4,293.24)	(1,570.19)	(5,149.28)	(7,660.80)	(11,379.08)	(13,585.02)	(5,056.76)	1,418.95	22,642.61
Net-worth	24,021.65	(4,380.62)	(2,169.91)	553.14	(3,025.77)	(5470.62)	(9255.75)	(11,461.69)	(2,933.42)	3,542.28	24,316.87
Earning per Share (Rs.)	110.71	(9.47)	(11.69)	15.14	10.63	16.07	16.19	(36.16)	(25.08)	(111.67)	(2.97)
Book Value per Share (Rs.)	97.44	(18.57)	(9.20)	2.35	(12.83)	(23.20)	(39.25)	(48.54)	(12.44)	15.02	127.36
Return on Net Worth (percentage)	NA	NA	NA	645.33	NA	NA	NA	NA	NA	(656.66)	(2.33)
Dividend	-	-	-	-	-	-	-	-	-	-	-

(*As per Ind As Financials)

KAMAT HOTELS (INDIA) LIMITED

ira
BY ORCHID HOTELS

Inspired by the Sanskrit word for Earth, paying homage to the Goddess Saraswati, the name 'IRA' represents knowledge, wisdom, art, and music.

Creation
Signature experiences that delight.

Preservation
Preserve and take ahead the Kamat Legacy and experience to more and more people across India

Empowerment
Make visible contributions towards our environment and people in a manner to add value to their lives.

CONTRIBUTE TO GIRLS EDUCATION

1% value of room revenue donated to Indira Venkatesh Foundation towards educating a girl child.

Current Location

- Mumbai
- Bhubaneswar

Expanding In

- Nashik
- Sambhajinagar
- Bhavnagar
- Ayodhya
- Noida - Sector 62

The New Orchid Openings At :

- Chandigarh
- Dehradun
- Jamnagar
- Pune