

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

To,  
DCS,  
Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001.  
Code: 526668  
ISIN: INE967C01018

To, 8<sup>th</sup> February, 2021  
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 Sirs,

**Sub: Outcome of the Board Meeting held on Monday, 8<sup>th</sup> February, 2021**

Pursuant to the provisions of Schedule III, Part A, Sub-regulation 4 of Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform you that the Board of Directors of the Company, at its meeting held on Monday, 8th February, 2021 at the registered office of the Company, inter-alia have accorded their approval for the following items of business:

1. Considered and approved the Standalone and Consolidated Un-audited Financial Results for the quarter and nine months ended 31<sup>st</sup> December, 2020.
2. Considered and took note of the Limited Review Report issued by Chartered Accountants, N.A. Shah Associates LLP, for the quarter and nine months ended 31<sup>st</sup> December, 2020.
3. Based on the recommendation of the Nomination and Remuneration Committee in its Meeting held on 8th February, 2021, considered and approved appointment of Ms. Ruchita Shah (ACS: 45110) as Company Secretary and Compliance Officer of the Company w.e.f. 8th February, 2021 pursuant to Section 203 of the Companies Act 2013 and Regulation 30(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

The brief particulars of the Company Secretary and Compliance Officer are as under:

1. Name: Ruchita Shah
  2. Designation: Company Secretary and Compliance Officer
  3. Date of Appointment: 8th February, 2021
  4. Email Id: cs@khil.com
  5. Contact No: 7304414972
4. Board of Directors has approved the deal which was negotiated with Prospective buyers to enter into MOU with respect to the sale of VITS, Mumbai, Unit of the Company either as slump sale or otherwise on such terms and conditions, including the price considered which is in the interest of the Company, final approval will be subject to members of the Company. **(Details attached in Annexure-I)**

REGD OFF.: 70-C, Nehru Road, Vile Parle (East), Mumbai - 400 099, India. Tel.: 2616 4000, Fax : 2616 4205  
Email-Id : cs@khil.com | Website: www.khil.com | CIN: L55101MH1986PLC039307



THE  
**ORCHID**<sup>®</sup>  
— FIVE STAR ECOTEL HOTEL —  
FRIENDLY ECO - FRIENDLY

**JadhavGADH**  
A Gadh Heritage Hotel  
Ladh, Jhagadh, Aage Badh...

**MAHODADHI  
PALACE**  
A Beach View Heritage Hotel  
Puri - Odisha

**LOTUS RESORTS**  
Chill. Still. Tranquil.

-2-

The Meeting of the Board commenced at 11.30 a.m. and concluded at 5.40 p.m.

You are requested to take the above on your record.

Thanking You,

Yours faithfully,  
For Kamat Hotels (India) Limited

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



REGD OFF.: 70-C, Nehru Road, Vile Parle (East), Mumbai - 400 099, India. Tel.: 2616 4000, Fax : 2616 4203  
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Fort  
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**MAHODADHI  
PALACE**  
— A Beach View Heritage Hotel —  
Puri - Orissa

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Chill. Still. Tranquil.

**Disclosure for the proposed sale of the Hotel VITS, Mumbai**

|   |   |  |
|---|---|--|
| 1 | The amount and percentage of the turnover or revenue or income and net worth contributed by such unit or division of the listed entity during the last financial year | Amount of Turnover KHIL : Rs 179.30 Cr<br>Amount of Turnover of VITS Unit : Rs. 35 Cr<br><br>Percentage Contribution to turnover of the Listed Company in FY 2019-20: 20%  |
| 2 | Date on which the agreement for sale has been entered into  | The Agreement for sale or any other definitive sale document are under process and it shall be in a manner advised by tax and legal advisors and would be entered post receipt of shareholders, lenders and other statutory approvals. |
| 3 | The expected date of completion of sale/disposal  | The date of completion of sale/disposal would depend upon receipt of relevant approvals from the consortium of lenders and completion of any conditions precedent.   |
| 4 | Consideration received from such sale/disposal  | Consideration for the proposed transfer/sale would be overall upto Rs. 210 Cr approximately.   |
| 5 | Brief details of buyers and whether any of the buyers belong to the Promoter / promoter group / group companies If yes, details thereof                               | The Company is under finalisation process amongst 3 prospective Buyers.<br><br>The buyer does not belong to promoter/promoter group/group Companies  |
| 6 | Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length.   | No   |
| 7 | Rationale for Proposed Sale   | Reduction of overall debt of the Company.  |
| 8 | in case of cash consideration amount or otherwise share exchange ratio: brief details of change in shareholding pattern (if any) of listed entity                     | Consideration is yet to be confirmed by prospective buyer.   |

W.P.A.M.



**Limited Review Report on unaudited standalone financial results for the quarter and nine months ended 31<sup>st</sup> December, 2020 of Kamat Hotels (India) Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

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

1. We have reviewed the accompanying statement of unaudited standalone financial results of Kamat Hotels (India) Limited ('the Company') for the quarter and nine months ended 31<sup>st</sup> December, 2020 ("the Statement") attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) which has been initialed by us for identification purpose.

**Management responsibility for the Statement**

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

**Auditor's responsibility**

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

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

**Conclusion**

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the applicable Indian Accounting Standards i.e. 'Ind AS' prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

**Material uncertainty related to going concern**

5. Reference is invited to note 4 of the Statement. Company's accumulated losses are in excess of its paid up capital and reserves and current liabilities exceed the current assets as on 31<sup>st</sup> December 2020. Further, in respect of loans, there are non-payment of principal and interest; and there are cumulative unpaid instalments of Rs. 7,627.99 lakhs (including instalments of the current quarter of Rs. 2,241.61 lakhs). In the opinion of the management, considering the future business prospects, management's action to mitigate the impact of COVID-19 as described in note 6 of the Statement, management's request for seeking extension of the loan dues as stated in note 3(a) of the Statement (also refer para 6 in Emphasis of matter paragraph below) and the fact that the fair values of assets of the Company are significantly higher than the borrowings/debts, these financial results have been prepared on a going concern basis which contemplates realization of assets and settlement of liabilities in the normal course of Company's business.



# N. A. SHAH ASSOCIATES LLP

Chartered Accountants

**Limited Review Report on the unaudited standalone financial results for the quarter and nine months ended 31<sup>st</sup> December, 2020 of Kamat Hotels (India) Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (continued...)**

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

## Emphasis of matters

6. Attention is invited to note 3(a) of the Statement which state that in respect of borrowings, there are non-payment of stipulated instalments comprising of principal and interest. Cumulative unpaid instalments are Rs. 7,627.99 lakhs (this includes Rs. 2,241.61 lakhs of instalments which became due in the current quarter). Considering COVID-19 pandemic, the Company had sent signed letters by e-mails in the month of March 2020, June 2020 to various lenders (except Kotak bank) and had sent an e-mail in September 2020 to Kotak bank for the extension of the dues upto December 2020. We are informed by the management that in-principle approval was received in writing from one of the lenders for extension of three EMI's amounting to Rs. 143 lakhs each. In respect of other dues / lenders, though written confirmation from lenders are awaited, all lenders have verbally agreed for the extension. Further, the Company has submitted restructuring proposals to all the lenders. However, their replies are awaited. In the absence of written communication from the lenders approving the extension, we are unable to validate the extension granted to the Company by the lenders. Further, as per management, in view of the above, event of default has not been triggered (we have relied on management view for non-applicability of event of default).

Further, as stated in note 3(b) of the Statement, in continuation of the view taken in the earlier quarters and considering the above, in the opinion of the management, no intimation is required to be given to the stock exchange for unpaid loan instalments.

7. Reference is invited to note 6 of the Statement, in respect of the possible effect of uncertainties relating to COVID-19 pandemic on the Company's financial performance as assessed by the management.

Our conclusion is not modified in respect of the above matters. In respect of above matters covered in paragraphs 6 and 7 above, attention was also drawn by us in our limited review report for the quarter and half year ended 30<sup>th</sup> September, 2020, quarter ended 30<sup>th</sup> June, 2020 and report for the year ended 31<sup>st</sup> March, 2020. Our conclusion / opinion was not modified in respect of above matter in earlier quarters of current year and previous year also.

## For N. A. Shah Associates LLP

Chartered Accountants

Firm's Registration No. 116560W/W100149



**Sandeep Shah**

Partner

Membership number: 37381

UDIN: 21037381A AAAAV7066

Place: Mumbai

Date: 8<sup>th</sup> February, 2021

**Kamat Hotels (India) Limited**

Registered Office: 70-C, Nehru Road, Vile Parle (East), Mumbai - 400 099

CIN: L55101MH1986PLC039307, Tel. No. 022 26164000

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

**Statement of standalone financial results for the quarter and nine months ended 31st December, 2020**

| Sr. No. | Particulars   | (Rs. in Lakhs)                 |                                |                                |                                       |                                       |                             |
|---------|---|--------------------------------|--------------------------------|--------------------------------|---------------------------------------|---------------------------------------|-----------------------------|
|         |   | Quarter ended<br>31st Dec 2020 | Quarter ended<br>30th Sep 2020 | Quarter ended<br>31st Dec 2019 | Nine months<br>ended<br>31st Dec 2020 | Nine months<br>ended<br>31st Dec 2019 | Year ended<br>31st Mar 2020 |
|         |   | Unaudited                      | Unaudited                      | Unaudited                      | Unaudited                             | Unaudited                             | Audited                     |
| 1       | <b>Income</b>   |                                |                                |                                |                                       |                                       |                             |
|         | (a) Revenue from operations   | 1,441.32                       | 864.30                         | 5,087.79                       | 2,881.87                              | 13,384.72                             | 17,930.64                   |
|         | (b) Other income  | 21.53                          | 17.05                          | 20.79                          | 57.44                                 | 60.95                                 | 89.99                       |
|         | <b>Total income</b>   | <b>1,462.85</b>                | <b>881.35</b>                  | <b>5,108.58</b>                | <b>2,939.31</b>                       | <b>13,445.67</b>                      | <b>18,020.63</b>            |
| 2       | <b>Expenses</b>   |                                |                                |                                |                                       |                                       |                             |
|         | (a) Consumption of food and beverages   | 170.47                         | 41.13                          | 472.95                         | 258.94                                | 1,257.55                              | 1,636.02                    |
|         | (b) Employee benefits expense (Refer note 10)   | 327.38                         | 254.73                         | 1,136.10                       | 714.23                                | 3,423.60                              | 4,517.12                    |
|         | (c) Finance cost (Refer note 9)   | 1,008.77                       | 978.38                         | 610.92                         | 2,867.73                              | 1,782.27                              | 3,436.40                    |
|         | (d) Depreciation and amortisation expense   | 256.28                         | 251.77                         | 263.90                         | 757.91                                | 797.31                                | 1,051.70                    |
|         | (e) Other expenses  |                                |                                |                                |                                       |                                       |                             |
|         | (i) Heat, light and power   | 143.70                         | 106.87                         | 288.39                         | 309.11                                | 963.46                                | 1,215.69                    |
|         | (ii) Others   | 600.22                         | 472.07                         | 1,336.96                       | 1,481.53                              | 3,656.36                              | 4,939.49                    |
|         | <b>Total expenses</b>   | <b>2,506.82</b>                | <b>2,104.95</b>                | <b>4,109.22</b>                | <b>6,389.45</b>                       | <b>11,880.55</b>                      | <b>16,796.42</b>            |
| 3       | <b>(Loss) / profit before exceptional items and tax [1-2]</b>                                     | <b>(1,043.97)</b>              | <b>(1,223.60)</b>              | <b>999.36</b>                  | <b>(3,450.14)</b>                     | <b>1,565.12</b>                       | <b>1,224.21</b>             |
| 4       | Exceptional items - income (Refer note 5 and 9)   | -                              | -                              | -                              | 373.17                                | -                                     | 2,369.28                    |
| 5       | <b>(Loss) / profit for the period / year before tax [3-4]</b>                                     | <b>(1,043.97)</b>              | <b>(1,223.60)</b>              | <b>999.36</b>                  | <b>(3,076.97)</b>                     | <b>1,565.12</b>                       | <b>3,593.49</b>             |
| 6       | <b>Tax expense</b>  |                                |                                |                                |                                       |                                       |                             |
|         | Current tax (Refer note 8)  | -                              | -                              | 340.53                         | -                                     | 437.92                                | 297.75                      |
|         | Deferred tax - (credit) for current period / year (net) (Refer note 8)                            | (275.66)                       | (304.59)                       | (45.37)                        | (796.96)                              | (323.15)                              | (287.24)                    |
|         | (Excess) / short provision for current tax / deferred tax (net)                                   | (10.85)                        | -                              | -                              | (10.85)                               | 13.39                                 | 13.39                       |
|         | <b>Total tax expenses</b>   | <b>(286.51)</b>                | <b>(304.59)</b>                | <b>295.16</b>                  | <b>(807.81)</b>                       | <b>128.16</b>                         | <b>23.90</b>                |
| 7       | <b>(Loss) / profit for the period / year [5-6]</b>  | <b>(757.46)</b>                | <b>(919.01)</b>                | <b>704.20</b>                  | <b>(2,269.16)</b>                     | <b>1,436.96</b>                       | <b>3,569.59</b>             |
| 8       | <b>Other comprehensive income</b>   |                                |                                |                                |                                       |                                       |                             |
|         | Items that will not be reclassified to profit or loss   |                                |                                |                                |                                       |                                       |                             |
|         | (i) Remeasurement of defined benefit plans - gain / (loss)  | 3.35                           | 3.35                           | 22.95                          | 10.05                                 | 27.13                                 | 13.40                       |
|         | (ii) Income taxes effect on above   | (0.84)                         | (0.84)                         | (6.68)                         | (2.52)                                | (7.90)                                | (3.90)                      |
|         | <b>Total other comprehensive income</b>   | <b>2.51</b>                    | <b>2.51</b>                    | <b>16.27</b>                   | <b>7.53</b>                           | <b>19.23</b>                          | <b>9.50</b>                 |
| 9       | <b>Total comprehensive income for the period / year [7+8]</b>                                     | <b>(754.95)</b>                | <b>(916.50)</b>                | <b>720.47</b>                  | <b>(2,261.63)</b>                     | <b>1,456.19</b>                       | <b>3,579.09</b>             |
| 10      | Paid-up equity share capital (including forfeited shares) (Face value per share of Rs. 10/- each) | 2,417.26                       | 2,417.26                       | 2,417.26                       | 2,417.26                              | 2,417.26                              | 2,417.26                    |
| 11      | Reserve excluding revaluation reserves  |                                |                                |                                |                                       |                                       | (1,570.19)                  |
| 12      | Earnings per share (Face value per share of Rs. 10/- each)  |                                |                                |                                |                                       |                                       |                             |
|         | (a) Basic (Rs.)   | (3.21)                         | (3.90)                         | 2.99                           | (9.62)                                | 6.09                                  | 15.14                       |
|         | (b) Diluted (Rs.)   | (3.21)                         | (3.90)                         | 2.99                           | (9.62)                                | 6.09                                  | 15.14                       |

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



**Kamat Hotels (India) Limited**

Registered Office: 70-C, Nehru Road, Vile Parle (East), Mumbai - 400 099

CIN: L55101MH1986PLC039307, Tel. No. 022 26164000

Website: [www.khil.com](http://www.khil.com), Email: [cs@khil.com](mailto:cs@khil.com)**Notes:**

- 1 The above unaudited standalone financial results have been reviewed by the Audit Committee and are approved by the Board of Directors at their meeting held on 8th February, 2021. The statutory auditors have carried out a limited review of the standalone financial results for the quarter and nine months ended 31st December, 2020.
- 2 The above unaudited standalone financial results have been prepared in accordance with guidelines issued by Securities and Exchange Board of India ('SEBI') and the Indian Accounting Standards [Ind AS] prescribed under section 133 of the Companies Act, 2013.
- 3 (a) As on 31st December, 2020, there are non-payment of stipulated instalments comprising of principal and interest. The cumulative unpaid instalments amounts to Rs. 7,627.99 lakhs (this includes instalments of Rs. 2,241.61 lakhs which was due in the current quarter). Considering COVID-19 pandemic, the Company had sent signed letters by e-mails in the month of March 2020, June 2020 to various lenders (except Kotak bank) and had sent an e-mail in September 2020 to Kotak bank for the extension of the dues upto December 2020. In-principle approval was received in writing from one of the lenders for extension of three EMI's amounting to Rs. 143 lakhs each. In respect of other dues / lenders, though written confirmation from lenders are awaited, all lenders have verbally agreed for the extension. Further, the Company has submitted restructuring proposals to all the lenders. However, their replies are awaited. In view of the above, in the opinion of the management, event of default is not triggered and therefore, there is no other accounting implications. Impact if any, will be considered in the period in which the Company and the lenders agree on the revised terms.  
  
(b) In continuation of the view taken in the earlier quarters and as per 3(a) above, in the opinion of the management, no intimation is required to be given to the stock exchange for unpaid loan instalments as at 31st December 2020.  
  
In respect of 3(a) and (b) above, the statutory auditors have reported emphasis of matter in their report on the standalone financial results for the quarter and nine months period ended 31st December, 2020, quarter and half year ended 30th September, 2020, quarter ended 30th June, 2020 and for the year ended 31st March, 2020.
- 4 As per unaudited standalone financial results, Company's accumulated losses are in excess of its paid up capital and reserves and its current liabilities exceeds the current assets as on 31st December, 2020. Further, in respect of loans, there are non-payment of stipulated instalments comprising of principal and interest. In the opinion of the management, considering the future business prospects, management's action to mitigate the impact of COVID-19 as described in note 6 of the Statement, management's request for seeking extension of the loan dues as stated in note 3(a) above and the fact that the fair values of the assets of the Company are significantly higher than the borrowings/debts, these unaudited standalone financial results have been prepared on a going concern basis which contemplates realisation of assets and settlement of liabilities in the normal course of Company's business. The statutory auditors have continued reference of above matter in their report on the unaudited standalone financial results for the quarter and nine months ended 31st December, 2020. Further, the statutory auditors had also drawn reference of above matter in their report on the standalone financial results of the quarter and half year ended 30th September, 2020, quarter ended 30th June, 2020 and in quarters of earlier years and report for the year ended 31st March, 2020, 31st March, 2019 and 31st March, 2018.
- 5 In the previous year, Company's one hotel property in Orissa was affected due to 'Cyclone Fani'. Net block of assets destroyed was Rs. Nil. The Company had filed the insurance claim and received partial amount as advance in quarter ended 30th June, 2019 and 31st December, 2019. During the quarter ended 30th June, 2020, final approval and insurance claim was received. Accordingly, insurance claim of Rs. 373.17 lakhs was recognised as revenue in the quarter ended 30th June, 2020 and shown under "Exceptional item".
- 6 Due to outbreak of COVID-19 pandemic, there is a significant impact on the business operations of the Company. With the lifting of the lockdown restrictions by Central and State Governments, the Company has re-opened its hotels and operations has gradually increased. The Company expects recovery in business to be driven by domestic and international leisure and business travel as the normalcy restores. The Company has carried out impairment assessment for the carrying value of property, plant & equipment, right of use asset, intangible assets, trade receivables, inventories and other assets based on the internal and external information upto the date of approval of these financial results including potential impact on account of COVID-19. Based on such assessment, in the opinion of management the Company expects to recover the carrying amounts of all the assets. As stated in note 3(a) above, the Company has requested its lenders for extension of payment of dues in view of the challenges faced due to COVID-19. The impact of the global health pandemic may be different from that estimated as at the date of approval of these unaudited standalone financial results and the Company will continue to monitor the future economic conditions and assess its impact on financial results. In this respect, the statutory auditors have reported emphasis of matter in their report on the standalone financial results for the quarter and nine months ended 31st December 2020, quarter and half year ended 30th September 2020, quarter ended 30th June, 2020 and for the year ended 31st March, 2020.

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MUMBAI



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- 7 There are no reportable segments under Ind AS-108 'Operating Segments' as the Company is operating only in the hospitality service segment, therefore, disclosures of segment wise information is not applicable.
- 8 For the current financial year, the Company has opted for lower tax rate under Section 115BAA of the Income Tax Act, 1961. Current tax for the year ended 31st March, 2020 was provided as per old tax regime. Further, deferred tax for nine months ended 31st December, 2019 and year ended 31st March, 2020 includes credit of Rs. 349.94 lakhs on account of applying lower tax rate as per the new regime to which the company has migrated in the year 2020-21.
- 9 During the year ended 31st March, 2020, an ARC (to which two banks and one financial institution had assigned the secured debts) had modified terms and conditions of the debt by providing the allocation between principal and interest payable w.e.f 1st April, 2019 vide their letter dated 29th January, 2020. Further, the effective interest rate (EIR) was recomputed based on the revised principal amount. The management is of the view that the de-recognition and the consequent write back of loan and re-computation of EIR had been done in accordance with the qualitative parameters permitted in Ind AS 109 – 'Financial Instruments' on the basis of opinion obtained from an expert and its ability to make prepayment of loan. Consequently, in the year ended 31st March, 2020, the Company had written back the principal amount of Rs. 2,369.28 lakhs outstanding as on 1st April, 2019 and accounted for additional interest of Rs. 1,052.67 lakhs pertaining to financial year 2019-20. The principal write back of Rs. 2,369.28 lakhs has been shown as "exceptional item". In this respect, the statutory auditors had reported emphasis of matter in their report on the standalone financial results for the year ended 31st March, 2020.
- 10 (a) The Company had paid excess remuneration of Rs. 41.94 lakhs to its Executive Chairman and Managing Director (ECMD) for the financial year ended 31st March, 2020 which was subject to shareholders approval at the AGM. In this respect, the statutory auditors had reported emphasis of matter in their report on the standalone financial results for the year ended 31st March, 2020.  
However, subsequent to the approval of audited accounts for the year ended 31st March, 2020, at the meeting of the Board of Directors held on 28th August, 2020, the Board decided to recover the excess remuneration amounting to Rs. 41.94 lakhs in view of ongoing business scenario and consequently the said amount had been written back in quarter ended 30th June, 2020. Out of the excess remuneration paid, Rs. 8.70 lakhs has been recovered till 31st December, 2020.
- (b) Further, during the quarter and nine months ended 31st December 2020 and in earlier quarters of current year, there is a significant reduction in employee benefit cost as a result of liability accruing only in respect of those employees who have been required to report for work. This also applies to the ECMD and accordingly there is a reduction in managerial remuneration also.

Place: Mumbai

Date: 8th February, 2021



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

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





Limited Review Report on the unaudited consolidated financial results for the quarter and nine months ended 31<sup>st</sup> December, 2020 of Kamat Hotels (India) Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

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

1. We have reviewed the accompanying statement of unaudited consolidated financial results of Kamat Hotels (India) Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), and its share of the net profit / (loss) after tax and total comprehensive income / (loss) of its joint venture for the quarter and nine months ended 31<sup>st</sup> December, 2020, ('the Statement'), being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ) read with SEBI Circular No. CIR/CFD/CMDI/44/2019 dated 29<sup>th</sup> March, 2019.

**Management's responsibility for the Statement**

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

**Auditor's responsibility**

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

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

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

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

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



# N. A. SHAH ASSOCIATES LLP

Chartered Accountants

**Limited Review Report on the unaudited consolidated financial results for the quarter and nine months ended 31<sup>st</sup> December, 2020 of Kamat Hotels (India) Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (continued...)**

## Basis of qualified conclusion

5. In respect of subsidiary company ('OHPPL'), reference is invited to note 6(i) to the Statement. Vide agreement dated 24<sup>th</sup> December 2018, International Asset Reconstruction Company Private Limited (IARC) acquired the loan from M/s Asset Reconstruction Company India Limited (ARCIL) [lender to whom loan was assigned by ICICI Bank in earlier years] for an aggregate amount of Rs. 13,500.00 lakhs. As per the books of the company, total outstanding towards this loan is Rs. 18,833.99 lakhs (including interest liability accounted in books upto 30<sup>th</sup> September, 2013). The interest amount from 1<sup>st</sup> October, 2013 till 31<sup>st</sup> December, 2020 has not been provided in the books nor has the same been quantified. Non provision of interest is not in compliance with the accounting treatment as prescribed under Ind AS 23 Borrowing Cost. As per the legal opinion obtained by the management, no further liability is required to be accounted considering the negotiations for settlement of loan (including interest) is under process with IARC.

Had the provision been made, borrowing cost and loss for the quarter and nine months ended 31<sup>st</sup> December 2020 and negative net worth as at 31<sup>st</sup> December, 2020 would increase by the amount of interest for the period 1<sup>st</sup> October, 2013 to 31<sup>st</sup> December, 2020 which has not been provided as per the management's view mentioned above.

In respect of above matter, qualification was also given in our limited review report for the quarter and half year ended 30<sup>th</sup> September, 2020, quarter ended 30<sup>th</sup> June, 2020 and in our independent auditor's report for the year ended 31<sup>st</sup> March, 2020 dated 30<sup>th</sup> July, 2020, year ended 31<sup>st</sup> March, 2019 dated 27<sup>th</sup> May, 2019 and year ended 31<sup>st</sup> March 2018 dated 23<sup>rd</sup> May, 2018.

## Qualified conclusion

6. Based on our review conducted and procedures performed as stated in paragraph 3 above and except for the effect of matter described in paragraph 5 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

## Material uncertainty related to going concern

7. Attention is invited to note 5, 6(ii) and 7 of the Statement, which indicates that there is, material uncertainty related to continuity as going concern of the Holding Company, OHPPL (subsidiary company), MPPL (subsidiary company) respectively and note 8(i) related to material uncertainty related to going concern at Group level. Material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern on account of accumulated losses, negative net worth and negative working capital in Holding Company and two subsidiaries as mentioned in those notes. For preparation of standalone financials results of Holding Company and two subsidiaries, going concern assumption is considered appropriate by the management as appropriate steps are being taken to mitigate the impact of accumulated losses, improve the cash flows, management's request for seeking extension of the loan dues where applicable [also refer para 9 in Emphasis of matter paragraph below], management's action to mitigate the impact of COVID-19 as described in note 11 of the Statement and also fair value of the assets of Holding Company are significantly higher than the borrowing/debts. In view of the above and in the opinion of management, the consolidated financial results have also been prepared on a going concern basis.



# N. A. SHAH ASSOCIATES LLP

Chartered Accountants

**Limited Review Report on the unaudited consolidated financial results for the quarter and nine months ended 31<sup>st</sup> December, 2020 of Kamat Hotels (India) Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (continued...)**

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

## Emphasis of Matter

8. Attention is invited to note 6(iii) of the Statement. In respect of dispute over lease rent payable to the government agency, subsidiary company (OHPPL) has accounted for the liability for the period from 1<sup>st</sup> November, 2014 to 31<sup>st</sup> December, 2020 which is unpaid to the extent of Rs. 1,601.60 lakhs. Further, during the year ended 31<sup>st</sup> March, 2020, the Hon'ble Bombay High Court had appointed sole arbitrator to resolve the disputes. As per the management, interest / penalty, if any, will be accounted in the period / year in which dispute will be resolved.
9. Attention is invited to note 4(a) of the Statement which state that in Holding Company, there are non-payment of stipulated instalments comprising of principal and interest. Cumulative unpaid instalments are Rs. 7,627.99 lakhs (this includes instalments of Rs. 2,241.61 lakhs which was due in the current quarter). Considering COVID-19 pandemic, the Holding Company had sent signed letters by e-mails in the month of March 2020, June 2020 to various lenders (except Kotak bank) and had sent an e-mail in September 2020 to Kotak bank for the extension of the dues upto December 2020. We are informed by the management that in-principle approval was received in writing from one of the lenders for extension of three EMI's amounting to Rs. 143 lakhs each. In respect of other dues / lenders, though written confirmation from lenders are awaited, all lenders have verbally agreed for the extension. Further, the Holding Company has submitted restructuring proposals to all the lenders. However, their replies are awaited. In the absence of written communication from the lenders approving the extension, we are unable to validate the extension granted to the Holding Company by the lenders. Further, as per Holding Company's management, in view of the above, event of default has not been triggered (we have relied on Holding Company's management view for non-applicability of event of default).  
  
Further, as stated in note 4(b) of the Statement, in continuation of the view taken in the earlier quarters and considering the above, in the opinion of the Holding Company's management, no intimation is required to be given to the stock exchange for unpaid loan instalments as at 31<sup>st</sup> December, 2020.
10. Attention is invited to note 11 of the Statement, in respect of the possible effect of uncertainties relating to COVID-19 pandemic on the Group and joint venture's financial performance as assessed by the management.
11. Attention is invited to note 6(iv) of the Statement, that the subsidiary company (OHPPL), is in the process of appointing Company Secretary (key managerial personnel) as required by Section 203 of the Companies Act, 2013.



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

**Limited Review Report on the unaudited consolidated financial results for the quarter and nine months ended 31<sup>st</sup> December, 2020 of Kamat Hotels (India) Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (continued...)**

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

**For N. A. Shah Associates LLP**

Chartered Accountants

Firm's Registration No. 116560W / W100149



**Sandeep Shah**

Partner

Membership number: 37381

UDIN: 21037381AAAAAW5407

Place: Mumbai

Date: 8<sup>th</sup> February, 2021

**Kamat Hotels (India) Limited**

Registered Office: 70-C, Nehru Road, Vile Parle (East), Mumbai - 400 099

CIN: L55101MH1986PLC039307, Tel. No. 022 26164000

Website: [www.khil.com](http://www.khil.com), Email: [cs@khil.com](mailto:cs@khil.com)**Statement of consolidated financial results for the quarter and nine months ended 31st December, 2020****(Rs. In lakhs)**

| Sr. No. | Particulars   | Quarter ended 31st Dec 2020 | Quarter ended 30th Sep 2020 | Quarter ended 31st Dec 2019 | Nine months ended 31st Dec 2020 | Nine months ended 31st Dec 2019 | Year ended 31st Mar 2020 |
|---------|---|-----------------------------|-----------------------------|-----------------------------|---------------------------------|---------------------------------|--------------------------|
|         |   | Unaudited                   | Unaudited                   | Unaudited                   | Unaudited                       | Unaudited                       | Audited                  |
| 1       | <b>Income</b>   |                             |                             |                             |                                 |                                 |                          |
|         | (a) Revenue from operations   | 1,893.09                    | 1,090.81                    | 6,228.32                    | 3,683.74                        | 16,552.51                       | 22,198.07                |
|         | (b) Other income  | 34.82                       | 28.63                       | 33.45                       | 95.46                           | 91.74                           | 141.43                   |
|         | <b>Total income</b>   | <b>1,927.91</b>             | <b>1,119.44</b>             | <b>6,261.77</b>             | <b>3,779.20</b>                 | <b>16,644.25</b>                | <b>22,339.50</b>         |
| 2       | <b>Expenses</b>   |                             |                             |                             |                                 |                                 |                          |
|         | (a) Consumption of food and beverages   | 226.56                      | 58.95                       | 574.91                      | 340.05                          | 1,565.28                        | 2,037.49                 |
|         | (b) Employee benefits expense (Refer note 15)   | 428.74                      | 327.23                      | 1,436.06                    | 935.20                          | 4,313.06                        | 5,694.47                 |
|         | (c) Finance cost (Refer note 14)  | 1,080.19                    | 1,052.85                    | 680.44                      | 3,084.88                        | 2,001.58                        | 3,730.63                 |
|         | (d) Depreciation and amortisation expense   | 446.22                      | 441.80                      | 454.70                      | 1,325.80                        | 1,368.33                        | 1,815.41                 |
|         | (e) Other expenses  |                             |                             |                             |                                 |                                 |                          |
|         | (i) Heat, light and power   | 201.96                      | 162.61                      | 383.59                      | 453.68                          | 1,275.58                        | 1,604.27                 |
|         | (ii) Others   | 752.86                      | 586.68                      | 1,727.40                    | 1,848.19                        | 4,813.99                        | 6,523.91                 |
|         | <b>Total expenses</b>   | <b>3,136.53</b>             | <b>2,630.12</b>             | <b>5,257.10</b>             | <b>7,987.80</b>                 | <b>15,337.82</b>                | <b>21,406.18</b>         |
| 3       | <b>(Loss) / profit before share of (loss) of joint venture, exceptional items and tax [1-2]</b> | <b>(1,208.62)</b>           | <b>(1,510.68)</b>           | <b>1,004.67</b>             | <b>(4,208.60)</b>               | <b>1,306.43</b>                 | <b>933.32</b>            |
| 4       | Share of (loss) from joint venture accounted for using equity method                            | (21.36)                     | (20.79)                     | 12.49                       | (64.25)                         | (34.86)                         | (29.10)                  |
| 5       | <b>(Loss) / profit before exceptional items and tax [3+4]</b>                                   | <b>(1,229.98)</b>           | <b>(1,531.47)</b>           | <b>1,017.16</b>             | <b>(4,272.85)</b>               | <b>1,271.57</b>                 | <b>904.22</b>            |
| 6       | Exceptional items - income - net [Refer note 6(v), 9, 10 & 14]                                  | -                           | -                           | -                           | 373.17                          | -                               | 1,523.21                 |
| 7       | <b>(Loss) / profit for the period / year before tax [5+6]</b>                                   | <b>(1,229.98)</b>           | <b>(1,531.47)</b>           | <b>1,017.16</b>             | <b>(3,899.68)</b>               | <b>1,271.57</b>                 | <b>2,427.43</b>          |
| 8       | <b>Tax expense</b>  |                             |                             |                             |                                 |                                 |                          |
|         | Current tax (Refer note 12)   | 0.02                        | -                           | 340.53                      | 0.02                            | 437.99                          | 297.97                   |
|         | Deferred tax - (credit) for current period / year (net) (Refer note 12)                         | (278.41)                    | (309.06)                    | (44.34)                     | (808.70)                        | (378.27)                        | (361.41)                 |
|         | Short provision for current tax / deferred tax (net)  | (10.85)                     | -                           | -                           | (10.85)                         | 13.39                           | 13.39                    |
|         | MAT credit written off  | -                           | -                           | -                           | -                               | 0.13                            | -                        |
|         | <b>Total tax expenses</b>   | <b>(289.24)</b>             | <b>(309.06)</b>             | <b>296.19</b>               | <b>(819.53)</b>                 | <b>73.24</b>                    | <b>(50.05)</b>           |
| 9       | <b>(Loss) / profit for the period / year [7-8]</b>  | <b>(940.74)</b>             | <b>(1,222.41)</b>           | <b>720.97</b>               | <b>(3,080.15)</b>               | <b>1,198.33</b>                 | <b>2,477.48</b>          |
| 10      | <b>Other comprehensive income</b>   |                             |                             |                             |                                 |                                 |                          |
|         | Items that will not be reclassified to profit or loss   |                             |                             |                             |                                 |                                 |                          |
|         | (i) Remeasurement of defined benefit plans - gain / (loss)                                      | 2.80                        | 2.80                        | 24.61                       | 8.40                            | 31.42                           | 11.22                    |
|         | (ii) Income taxes effect on above   | (0.84)                      | (0.84)                      | (6.68)                      | (2.52)                          | (7.90)                          | (3.90)                   |
|         | <b>Total other comprehensive income</b>   | <b>1.96</b>                 | <b>1.96</b>                 | <b>17.93</b>                | <b>5.88</b>                     | <b>23.52</b>                    | <b>7.32</b>              |
| 11      | <b>Total comprehensive income for the period / year [9+10]</b>                                  | <b>(938.78)</b>             | <b>(1,220.45)</b>           | <b>738.90</b>               | <b>(3,074.27)</b>               | <b>1,221.85</b>                 | <b>2,484.80</b>          |

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



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

Statement of consolidated financial results for the quarter and nine months ended 31st December, 2020

|         |  |                             |                             |                             |                                 |                                 | (Rs. In lakhs)           |
|---------|--|-----------------------------|-----------------------------|-----------------------------|---------------------------------|---------------------------------|--------------------------|
| Sr. No. | Particulars  | Quarter ended 31st Dec 2020 | Quarter ended 30th Sep 2020 | Quarter ended 31st Dec 2019 | Nine months ended 31st Dec 2020 | Nine months ended 31st Dec 2019 | Year ended 31st Mar 2020 |
|         |  | Unaudited                   | Unaudited                   | Unaudited                   | Unaudited                       | Unaudited                       | Audited                  |
| 12      | <b>Total comprehensive income for the period / year attributable to:</b>   |                             |                             |                             |                                 |                                 |                          |
|         | (a) To owner of parent   | (938.78)                    | (1,220.45)                  | 738.90                      | (3,074.27)                      | 1,221.85                        | 2,484.80                 |
|         | (b) To non controlling interest  | -                           | -                           | -                           | -                               | -                               | -                        |
| 13      | <b>Out of total comprehensive income for the period / year: (Loss) / profit for the period / year attributable to:</b> |                             |                             |                             |                                 |                                 |                          |
|         | (a) To owner of parent   | (940.74)                    | (1,222.41)                  | 720.97                      | (3,080.15)                      | 1,198.33                        | 2,477.48                 |
|         | (b) To non controlling interest  | -                           | -                           | -                           | -                               | -                               | -                        |
|         | <b>Other comprehensive income attributable to:</b>   |                             |                             |                             |                                 |                                 |                          |
|         | (a) To owner of parent   | 1.96                        | 1.96                        | 17.93                       | 5.88                            | 23.52                           | 7.32                     |
|         | (b) To non controlling interest  | -                           | -                           | -                           | -                               | -                               | -                        |
| 14      | Paid-up equity share capital (including forfeited shares) (Face value per share of Rs. 10/- each)                      | 2,417.26                    | 2,417.26                    | 2,417.26                    | 2,417.26                        | 2,417.26                        | 2,417.26                 |
| 15      | Reserve excluding revaluation reserves   |                             |                             |                             |                                 |                                 | (14,716.35)              |
| 16      | Earnings per share (Face value per share of Rs. 10/- each)   |                             |                             |                             |                                 |                                 |                          |
|         | (a) Basic (Rs.)  | (3.99)                      | (5.18)                      | 3.06                        | (13.06)                         | 5.08                            | 10.50                    |
|         | (b) Diluted (Rs.)  | (3.99)                      | (5.18)                      | 3.06                        | (13.06)                         | 5.08                            | 10.50                    |

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CIN: L55101MH1986PLC039307, Tel. No. 022 26164000

Website: [www.khil.com](http://www.khil.com), Email: [cs@khil.com](mailto:cs@khil.com)**Notes:**

- 1 The above unaudited consolidated financial results have been reviewed by the Audit Committee and are approved by the Board of Directors at their meeting held on 8th February, 2021. The statutory auditors have carried out a limited review of the consolidated financial results for the quarter and nine months ended 31st December, 2020.
- 2 The above unaudited consolidated financial results have been prepared in accordance with guidelines issued by Securities and Exchange Board of India ('SEBI') and the Indian Accounting Standards [Ind AS] prescribed under section 133 of the Companies Act, 2013 ('the Act').
- 3 The consolidated financial results for the quarter and nine months period ended 31st December, 2020, and previous quarter / year include financial results in respect of following entities: Wholly owned subsidiary companies (a) Orchid Hotels Pune Private Limited (OHPPL), (b) Fort Jadhavgadh Hotels Private Limited (FJHPL), (c) Mahodadhi Palace Private Limited (MPPL), (d) Orchid Hotel Eastern (India) Private Limited (OHEIPL), (e) Kamats Restaurants (India) Private Limited (KRIPL) and one Joint venture company - Ilex Developers & Resorts Limited (IDRL).
- 4 (a) In respect of Holding Company, as on 31st December 2020, there are non-payment of stipulated instalments comprising of principal and interest. The cumulative unpaid instalments amounts to Rs. 7,627.99 lakhs (this includes instalments of Rs. 2,241.61 lakhs which was due in the current quarter). Considering COVID-19 pandemic, the Holding Company had sent signed letters by e-mails in the month of March 2020, June 2020 to various lenders (except Kotak bank) and had sent an e-mail in September 2020 to Kotak bank for the extension of the dues upto December 2020. In-principle approval was received in writing from one of the lenders for extension of three EMI's amounting to Rs. 143 lakhs each. In respect of other dues / lenders, though written confirmation from lenders are awaited, all lenders have verbally agreed for the extension. Further, the Holding Company has submitted restructuring proposals to all the lenders. However, their replies are awaited.  
In view of the above, in the opinion of the Holding Company's management, event of default is not triggered and therefore, there is no other accounting implications. Impact if any, will be considered in the period in which the Holding Company and the lenders agree on the revised terms.  
  
(b) In continuation of the view taken in the earlier quarters and as per 4(a) above, in the opinion of the Holding Company's management, no intimation is required to be given to the stock exchange for unpaid loan instalments as at 31st December 2020.  
In respect of 4(a) and (b) above, the statutory auditors have reported emphasis of matter in their report on the consolidated financial results for the quarter and nine months ended 31st December 2020, quarter and half year ended 30th September, 2020, quarter ended 30th June, 2020 and for the year ended 31st March, 2020.
- 5 As per unaudited standalone financial results of the Holding Company, there are accumulated losses which are in excess of its paid up capital and reserves and current liabilities exceed the current assets as on 31st December, 2020. Further, in respect of borrowings, stipulated instalments comprising of principal and interest are unpaid as at 31st December, 2020. In the opinion of the management, considering the future business prospects, management's action to mitigate the impact of COVID-19, management's request for seeking extension of the loan dues as stated in note 4(a) above and the fact that the fair values of the assets are significantly higher than the borrowings/debts, the unaudited standalone financial results of the Holding Company have been prepared on a going concern basis which contemplates realisation of assets and settlement of liabilities in the normal course of Holding Company's business.
- 6 In respect of subsidiary company (OHPPL),  
(i) Vide agreement dated 24th December 2018, International Asset Reconstruction Company Private Limited (IARC) acquired the loan from M/s Asset Reconstruction Company India Limited (ARCIL) [lender to whom loan was assigned by ICICI Bank in earlier years] for an aggregate amount of Rs. 13,500.00 lakhs. As per the books of the company, total outstanding towards this loan is Rs. 18,833.99 lakhs (including interest liability accounted in books upto 30th September, 2013). The interest amount from 1st October, 2013 till 31st December, 2020 has not been provided in book nor has the same been quantified. Non provision of interest is not in compliance with the accounting treatment as prescribed under Ind AS 23 Borrowing Cost. As per the legal opinion obtained by the management, no further liability is required to be accounted considering the negotiations for settlement of loan (including interest) is under process with IARC. As per the proposed / agreed terms between management and IARC, the management has agreed to transfer 100% shares of the subsidiary company (OHPPL) to IARC. The statutory auditors have continued to comment on this matter in their report on the financial results for the quarter and nine months ended 31st December, 2020 in line with their earlier reports.

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



**Kamat Hotels (India) Limited**

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- 6 (ii) The subsidiary company has incurred loss in the quarter and nine months period ended 31st December, 2020, its net worth is fully eroded and its current liabilities exceeds the current assets as on 31st December, 2020. Further, there are defaults in repayment of loans & interest and non-provision of interest as mentioned in note 6(i) above. Considering, the limited support available from the Holding Company due to its financial constraints, provision for impairment of property, plant and equipment made in the previous year [also refer note 6(v)] and earlier year and management's action to mitigate the impact of COVID-19, in the opinion of the management, the financial results of the subsidiary company are prepared on going concern basis.
- (iii) In respect of dispute over lease rent levied by Director of Sports, the subsidiary company has accounted for the liability amounting to Rs. 1,601.60 lakhs for the period from 1st November, 2014 to 31st December, 2020; out of which a part payment of Rs. 129.85 lakhs have been made during the previous quarter. Further, during the year ended 31st March, 2020, the Hon'ble Bombay High Court had appointed sole arbitrator to resolve the disputes. Interest / penalty, if any, will be accounted in the period / year in which dispute will be resolved. Further, during the quarter ended 30th June 2020, the subsidiary company, by invoking COVID-19 as the force majeure event, had applied to the authorities for waiver of lease rent during the lockdown imposed by the Government. The said application is pending and waiver, if any, will be accounted in the period/year in which it will be approved.
- (iv) The subsidiary company is in the process of appointing Company Secretary (key managerial personnel) as required by Section 203 of the Companies Act, 2013.
- (v) During the year ended 31st March, 2020 based on review of recoverable value in respect of net block of property, plant & equipment, in accordance with Ind AS 36 - impairment of assets, provision for impairment loss amounting to Rs. 532.20 lakhs was recognized and shown as an "exceptional item". Total amount of impairment loss recognised till 31st December, 2020 including earlier year is Rs. 21,932.29 lakhs.
- 7 In respect of subsidiary company (MPPL),  
The subsidiary company has incurred losses in the quarter and nine months ended 31st December, 2020, its accumulated losses are in excess of its paid up capital and reserves and its current liabilities are exceeding current assets as on 31st December, 2020. In the opinion of the management, the financial statements are prepared on going concern basis, considering (a) future prospects of business from hotel property post expiry of operation and management agreement with Holding Company; (b) fair value of the underlying hotel property; and (c) commitment from the Holding Company for financial support from time to time (d) management's action to mitigate the impact of COVID-19.
- 8 (i) In view of the note 5, 6(ii) and 7 and considering management's opinion, the unaudited consolidated financial results have also been prepared on a going concern basis. The statutory auditors have continued reference of this matter in their report on the unaudited consolidated financial results for the quarter and nine months ended 31st December, 2020. Further, the statutory auditors had also drawn reference of above matter in their report on the consolidated financial results for the quarter and half year ended 30th September, 2020, quarter ended 30th June, 2020, in quarters of previous year and reports for the year ended 31st March, 2020, 31st March, 2019 and 31st March, 2018.
- (ii) in respect of matter covered in note 6(iii), the statutory auditors have continued the emphasis of matter in their report on the consolidated financial results for the quarter and nine months ended 31st December 2020. Further, emphasis of matter was also reported by the statutory auditors in their report on consolidated financial results for the quarter and half year ended 30th September, 2020, quarter ended 30th June, 2020, in quarters of previous year and reports for the year ended 31st March, 2020, 31st March, 2019 and 31st March, 2018.
- In respect of matter covered in note 6(iv), the statutory auditors have reported emphasis of matter in their report on the consolidated financial results for the quarter and nine months ended 31st December 2020, quarter and half year ended 30th September 2020, quarter ended 30th June, 2020 and for the year ended 31st March, 2020.
- 9 In respect of joint venture (IDRL),  
During the year ended 31st March, 2020, in accordance with Ind AS 36 – Impairment of assets, the management of the joint venture (JV) company had reviewed the recoverable value in respect of net block of property, plant & equipment. Based on such assessment, management of Holding Company also had carried out assessment of recoverable value of the investment in JV in the consolidated financial statements. Based on such assessment, provision for impairment loss against investment amounting to Rs. 313.87 lakhs, representing 32.92% share of the Holding Company had been recognized during the year ended 31st March, 2020. The same was disclosed as exceptional item.
- 10 In the previous year, Group's three hotel properties in Orissa were affected due to 'Cyclone Fani'.  
(a) In respect of Holding Company, net block of assets of one hotel property in Orissa destroyed was Rs. Nil. The Company had filed the insurance claim and received partial amount as advance in quarter ended 30th June, 2019 and 31st December, 2019. During the quarter ended 30th June, 2020, final approval and insurance claim was received. Accordingly, insurance claim of Rs. 373.17 lakhs was recognised as revenue in the quarter ended 30th June, 2020 and shown under "Exceptional item".  
(b) In respect of subsidiary company (MPPL), loss of Rs. 264.43 lakhs was accounted in the year ended 31st March, 2020. Upon final approval of the claim, further loss of Rs. 5.97 lakhs was accounted in the quarter ended 30th June, 2020. The balance insurance claim was received in the previous quarter.

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





**Kamat Hotels (India) Limited**

Registered Office: 70-C, Nehru Road, Vile Parle (East), Mumbai - 400 099


CIN: L55101MH1986PLC039307, Tel. No. 022 26164000

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- 11 Due to outbreak of COVID-19 pandemic, there is a significant impact on the business operations of the Group and joint venture. With the lifting of the lockdown restrictions by Central and State Governments, the Group and joint venture have re-opened their hotels and operations have gradually increased. The Group and joint venture expects recovery in business to be driven by domestic and international leisure and business travel as the normalcy restores. The Group and joint venture have carried out impairment assessment for the carrying value of property, plant & equipment, right of use asset, intangible assets, trade receivables, inventories and other assets based on the internal and external information upto the date of approval of these financial results including potential impact on account of COVID-19. Based on such assessment, in the opinion of management, provision for impairment loss has been made wherever necessary and expects to recover the carrying amounts of all the assets net of impairment provision. Further, the Holding Company and joint venture have requested its lenders for extension of payment of dues in view of the challenges faced on account of COVID-19. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Group and joint venture will continue to monitor the future economic conditions and assess its impact on consolidated financial results. In this respect, the statutory auditors have reported emphasis of matter in their report on the consolidated financial results for the quarter and nine months ended 31st December 2020, quarter and half year ended 30th September, 2020, quarter ended 30th June, 2020 and for the year ended 31st March, 2020.
- 12 For the current financial year, the Holding Company has opted for lower tax rate under Section 115BAA of the Income Tax Act, 1961. Current tax for the year ended 31st March, 2020 was provided as per old tax regime. Further, deferred tax for nine months ended 31st December, 2019 and year ended 31st March, 2020 includes credit of Rs. 349.94 lakhs on account of applying lower tax rate as per the new regime to which the company has migrated in the year 2020-21.
- 13 There are no reportable segments under Ind AS-108 'Operating Segments' as the Group and joint venture are operating only in the hospitality service segment, therefore, disclosures of segment wise information is not applicable.
- 14 During the year ended 31st March, 2020, an ARC (to which two banks and one financial institution had assigned the secured debts) had modified terms and conditions of the debt of Holding Company by providing the allocation between principal and interest payable w.e.f 1st April, 2019 vide their letter dated 29th January, 2020. Further, the effective interest rate (EIR) had been recomputed based on the revised principal amount. The Holding Company's management is of the view that the de-recognition and consequent the write back of loan and re-computation of EIR had been done in accordance with the qualitative parameters permitted in Ind AS 109 – 'Financial Instruments' on the basis of opinion obtained from an expert and its ability to make prepayment of loan. Consequently, in the year ended 31st March 2020, the Holding Company had written back the principal amount of Rs. 2,369.28 lakhs outstanding as on 1st April, 2019 and accounted for additional interest of Rs.1,052.67 lakhs pertaining to financial year 2019-20. The principal write back of Rs. 2,369.28 lakhs had been shown as "exceptional item". In this respect, the statutory auditors had reported emphasis of matter in their report on the consolidated financial results for the year ended 31st March 2020.
- 15 (a) The Holding Company had paid excess remuneration of Rs. 41.94 lakhs to its Executive Chairman and Managing Director (ECMD) for the financial year ended 31st March, 2020 which was subject to shareholders approval at AGM. The statutory auditors had reported emphasis of matter in their report on the consolidated financial results for the year ended 31st March 2020. However, subsequent to the approval of audited accounts for the year ended 31st March, 2020, at the meeting of the Board of Directors held on 28th August, 2020, the Board decided to recover the excess remuneration amounting to Rs. 41.94 lakhs in view of ongoing business scenario and consequently the said amount had been written back in quarter ended 30th June, 2020. Out of the excess remuneration paid, Rs. 8.70 lakhs has been recovered till 31st December, 2020.  
  
(b) Further, during the quarter and nine months ended 31st December, 2020 and in earlier quarters of current year, there is significant reduction in employee benefit cost as a result of liability accruing only in respect of those employees who have been required to report for work. This also applies to the ECMD and accordingly there is a reduction in managerial remuneration also.



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

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

Place: Mumbai  
Date: 8th February, 2021

