

KAMAT HOTELS (INDIA) LIMITED

Regd. 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 UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2014

PART-I

(₹ In Lakhs)

| Sr.No. | Particulars | Standalone | | | | | |
|--------|--|-----------------------------------|----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|---------------------------------|
| | | Quarter Ended | | | Half Year Ended | | Year Ended |
| | | 30th Sept. 2014 (Unaudited) | 30th June 2014 (Unaudited) | 30th Sept. 2013 (Unaudited) | 30th Sept. 2014 (Unaudited) | 30th Sept. 2013 (Unaudited) | 31st March 2014 (Audited) |
| 1 | Income from Operations | | | | | | |
| | a) Net Sales/Income from Operations (Net of Excise Duty) | 2,650.28 | 2,856.55 | 2,659.45 | 5,506.83 | 5,531.07 | 12,503.77 |
| | b) Other Operating Income | 153.14 | 195.44 | 223.09 | 348.58 | 442.07 | 901.99 |
| | Total Income | 2,803.42 | 3,051.99 | 2,882.54 | 5,855.41 | 5,973.14 | 13,405.76 |
| 2 | Expenses | | | | | | |
| | a) Consumption of Food & Beverages | 305.61 | 322.67 | 296.51 | 628.28 | 657.92 | 1,371.68 |
| | b) Employees Benefits Expense | 761.96 | 846.83 | 843.61 | 1,608.79 | 1,733.80 | 3,269.46 |
| | c) Heat, Light & Power | 401.34 | 424.04 | 382.80 | 825.38 | 719.49 | 1,523.25 |
| | d) Depreciation and Amortisation Expense (Note 3) | 445.74 | 509.32 | 361.70 | 955.06 | 725.33 | 1,438.52 |
| | e) Other Expenses | 809.60 | 789.05 | 878.21 | 1,598.65 | 1,709.35 | 3,346.32 |
| | Total Expenses | 2,724.25 | 2,891.91 | 2,762.83 | 5,616.16 | 5,545.89 | 10,949.23 |
| 3 | Profit/(Loss) from Operations before Other Income, Finance Costs and Exceptional Items [1-2] | 79.17 | 160.08 | 119.71 | 239.25 | 427.25 | 2,456.53 |
| 4 | Other Income (Note 5) | 101.84 | 315.68 | 664.47 | 417.52 | 1,405.54 | 2,273.30 |
| 5 | Profit/(Loss) from ordinary activities before Finance Costs and Exceptional Items [3+4] | 181.01 | 475.76 | 784.18 | 656.77 | 1,832.79 | 4,729.83 |
| 6 | Finance Costs (Note 4) | 4,046.64 | 2,429.27 | 1,420.52 | 6,475.91 | 2,889.00 | 5,735.27 |
| 7 | Profit/(Loss) from ordinary activities after Finance Costs but before Exceptional Items [5-6] | (3,865.63) | (1,953.51) | (636.34) | (5,819.14) | (1,056.21) | (1,005.44) |
| 8 | Add/Less: Exceptional items(Net) [Note 6] | - | - | - | - | (18.87) | (23,805.16) |
| 9 | Profit/(Loss) from Ordinary Activities before Tax [7+8] | (3,865.63) | (1,953.51) | (636.34) | (5,819.14) | (1,075.08) | (24,810.60) |
| 10 | Add/Less: Tax Expense (Including Deferred Tax) (Including Previous years) | 1,329.52 | 661.36 | 275.87 | 1,990.88 | 413.10 | 1,549.91 |
| 11 | Net Profit/(Loss) from Ordinary Activities after Tax [9-10] | (2,536.11) | (1,292.15) | (360.47) | (3,828.26) | (661.98) | (23,260.69) |
| 12 | Less: Extraordinary items (Net of tax expense) | - | - | - | - | - | - |
| 13 | Net Profit/(Loss) for the period [11-12] | (2,536.11) | (1,292.15) | (360.47) | (3,828.26) | (661.98) | (23,260.69) |



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STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2014

| Sr.No. | Particulars | Standalone | | | | | |
|----------------|--|-----------------------------------|----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|---------------------------------|
| | | Quarter Ended | | | Half Year Ended | | Year Ended |
| | | 30th Sept. 2014 (Unaudited) | 30th June 2014 (Unaudited) | 30th Sept. 2013 (Unaudited) | 30th Sept. 2014 (Unaudited) | 30th Sept. 2013 (Unaudited) | 31st March 2014 (Audited) |
| 14 | Paid-up equity Share Capital (Face value of Equity Share Rs.10/- each) | 2,417.26 | 2,417.26 | 2,254.29 | 2,417.26 | 2,254.29 | 2,417.26 |
| 15 | Reserves Excluding Revaluation Reserves as per balance sheet of previous accounting year | | | | | | 1,418.95 |
| 16 | Earnings Per Share (EPS) | | | | | | |
| | Basic & Diluted EPS (Rs): | | | | | | |
| i) | Before Extraordinary items | | | | | | |
| | Basic | (10.75) | (5.48) | (1.86) | (16.23) | (3.44) | (111.67) |
| | Diluted | (10.75) | (5.48) | (1.86) | (16.23) | (3.44) | (111.67) |
| ii) | After Extraordinary items | | | | | | |
| | Basic | (10.75) | (5.48) | (1.86) | (16.23) | (3.44) | (111.67) |
| | Diluted | (10.75) | (5.48) | (1.86) | (16.23) | (3.44) | (111.67) |
| PART-II | | | | | | | |
| A | PARTICULARS OF SHARE HOLDING: | | | | | | |
| | Public shareholdings: | | | | | | |
| | -Number of Shares | 92,22,098 | 92,22,098 | 92,22,098 | 92,22,098 | 92,22,098 | 92,22,098 |
| | -Percentage of Shareholding | 39.10% | 39.10% | 42.01% | 39.10% | 42.01% | 39.10% |
| | Promoters and promoters group shareholding | | | | | | |
| | a) Pledged/Encumbered | | | | | | |
| | -Number of shares, | 98,71,296 | 98,71,296 | 9,871,296 | 98,71,296 | 9,871,296.00 | 98,71,296 |
| | -Percentage of shares (as a % of the total share holding of promoter and promoter group) | 68.73% | 68.73% | 77.53% | 68.73% | 77.53% | 68.73% |
| | -Percentage of shares (as a % of the total share capital of the Company) | 41.86% | 41.86% | 44.96% | 41.86% | 44.96% | 41.86% |
| | b) Non Encumbered | | | | | | |
| | -Number of shares, | 44,90,664 | 44,90,664 | 2,861,035 | 44,90,664 | 2,861,035 | 44,90,664 |
| | -Percentage of shares (as a % of the total share holding of promoter and promoter group) | 31.27% | 31.27% | 22.47% | 31.27% | 22.47% | 31.27% |
| | -Percentage of shares (as a % of the total share capital of the Company) | 19.04% | 19.04% | 13.03% | 19.04% | 13.03% | 19.04% |
| B | INVESTOR COMPLAINTS: | | | | | | 3 Months Ended |
| | Pending at the beginning of the Quarter | | | | | | 30th |
| | Received during the quarter | | | | | | September, |
| | Disposed off during the quarter | | | | | | 2014 |
| | Remaining unresolved at the end of the quarter | | | | | | Nil |
| | | | | | | | 2 |
| | | | | | | | 2 |
| | | | | | | | Nil |



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STANDALONE STATEMENT OF ASSETS AND LIABILITIES

(₹ In Lakhs)

| Sr. No. | Particulars | Standalone | |
|------------|--|--------------------------------|------------------------------|
| | | As At | |
| | | 30th Sept. 2014 (Unaudited) | 31st March 2014 (Audited) |
| (A) | EQUITY AND LIABILITIES: | | |
| 1 | Shareholders Funds: | | |
| | a) Share Capital | 2,417.26 | 2,417.26 |
| | b) Reserves and Surplus | (2,778.98) | 1,418.95 |
| | Sub Total of Shareholders Funds | (361.72) | 3,836.21 |
| 2 | Share Application Money Pending Allotment | - | 185.00 |
| 3 | Non - Current Liabilities: | | |
| | a) Long-Term Borrowings (Refer Note 4) | 29,419.03 | 21,344.03 |
| | b) Deferred Tax Liabilities (Net) | - | 541.19 |
| | c) Other Long Term Liabilities | 2,957.07 | 2,679.59 |
| | d) Long- Term Provisions | 157.67 | 139.32 |
| | Sub Total of Non Current Liabilities | 32,633.77 | 24,704.13 |
| 4 | Current Liabilities | | |
| | a) Short -Term Borrowings | 708.15 | 767.27 |
| | b) Trade Payables | 1,997.04 | 2,123.24 |
| | c) Other Current Liabilities (Refer Note 4) | 22,542.97 | 25,395.40 |
| | d) Short- Term Provisions | 73.34 | 111.54 |
| | Sub Total of Current Liabilities | 25,321.50 | 28,397.45 |
| | TOTAL - EQUITY AND LIABILITIES | 57,493.55 | 57,122.79 |
| (B) | ASSETS: | | |
| 1 | Non- Current Assets: | | |
| | a) Fixed Assets | 33,668.83 | 35,280.36 |
| | b) Non- Current Investments (Refer Note 5) | 9,879.84 | 9,879.84 |
| | c) Deferred Tax (Asset) (Net) | 1,640.04 | - |
| | d) Long- Term Loans And Advances | 1,231.87 | 401.62 |
| | e) Other Non-Current Assets | 8,152.86 | 8,150.77 |
| | Sub Total of Non- Current Assets | 54,573.44 | 53,712.69 |
| 2 | Current Assets | | |
| | a) Current Investments | 5.00 | 5.00 |
| | b) Inventories | 404.12 | 412.73 |
| | c) Trade Receivables | 1,322.62 | 1,502.43 |
| | d) Cash and Bank Balances | 557.79 | 793.46 |
| | e) Short-Term Loans and Advances | 526.06 | 643.11 |
| | f) Other Current Assets | 104.52 | 53.47 |
| | Sub Total of Current Assets | 2,920.11 | 3,410.20 |
| | TOTAL | 57,493.55 | 57,122.79 |



[Handwritten Signature]

Contd..4.

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STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2014.

Notes:

1. The above standalone results have been reviewed by the Audit Committee and were approved by the Board of Directors at the meeting held on 8th November, 2014. The Statutory Auditors have carried out a limited review of the above financial results.
2. The Company is operating only in the Hospitality Services Segment.
3. Pursuant to the Companies Act, 2013 (the Act) becoming effective from April, 2014, the Company has recomputed the depreciation based on the useful life of the fixed assets as prescribed in Schedule II to the Act. This has resulted in additional charge of depreciation of ₹ 23.03 lakhs and ₹ 114.06 lakhs for the quarter and half year ended 30th September, 2014 respectively. Further, as per the transitional provision, the Company has adjusted ₹ 369.67 lakhs (net of deferred tax of ₹ 190.35 lakhs) in the opening balance of retained earnings in respect of the assets where remaining useful life is nil as per Schedule II.
4. During this and previous quarter (i) three lenders assigned their debts aggregating to ₹ 24,691.68 lakhs during this and previous quarter in favour of Asset Reconstruction Companies; and (ii) four lenders recalled the entire debts aggregating to ₹ 18,327.91 lakhs and declared the loans given to the Company as non-performing assets. Total amount payable and its bifurcation into short term and long term as reflected in the Statement of Assets and Liabilities would change on reconciliation of account balance with the respective lenders and on completion of restructuring /settlement process in due course of time. Finance cost for the quarter and half year ended 30th September 2014 include finance charge charges and interest pertaining to earlier periods.
5. The Company has made a strategic and long term investment of ₹ 9,327.75 lakhs in the shares of Orchid Hotels Pune Private Limited (OHPPL), (wholly owned subsidiary). Further, a loan of ₹ 19,646.40 lakhs and outstanding interest of ₹ 4,198.16 lakhs for the period upto December, 2013 is recoverable from OHPPL. The Company has also issued a corporate guarantee of ₹ 20,434.00 lakhs to a lender for the loan taken by OHPPL. OHPPL has been declared a non-performing asset by its lender due to defaults in paying the loan dues and is also facing other adverse factors affecting its financial position. Considering these adverse factors, the Company made a provision for ₹ 23,844.56 lakhs towards recovery of loan and interest dues during the year ended 31st March, 2014 and interest on the outstanding loan is not recognized as income for the period after December, 2013 considering prudence. Further, considering the present value of the assets and future projections of OHPPL, the management believes that there is no diminution in the value of investment in OHPPL at present. This will be evaluated on a going forward basis for any further changes.
6. Exceptional items (net) (i) in the quarter ended 30th September, 2013, include loss of ₹ 18.87 lakhs on write off of certain assets of unviable units closed; and (ii) in the year ended 31st March, 2014 include (a) income of ₹ 300.00 lakhs being advance received towards proposed sale of a property forfeited, by the Company.; (b) expenditure incurred and advances of ₹ 241.73 lakhs paid for abandoned hotel projects, hence written off; (c) provision for doubtful loans and advances to and interest receivable from the Company's subsidiary of ₹ 23,844.56 lakhs.
7. The figures of previous periods in this statement have been regrouped/rearranged, wherever considered necessary.

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

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

Place: Mumbai
Date: 8th November, 2014

As per our report of even date
For J. G. Verma & Co.
Chartered Accountants

J. G. Verma
J. G. Verma
Partner
Mumbai, 8th November, 2014



J. G. VERMA & CO. (Regd.)
CHARTERED ACCOUNTANTS

J. G. VERMA
A. G. VERMA

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2281 4743
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301-B, NIRANJAN,
99, MARINE DRIVE,
MUMBAI - 400 002

**Auditors' Limited Review Report to the Board of Directors of
Kamat Hotels (India) Limited**

We have reviewed the accompanying Statement of Unaudited Financial Results (Stand-alone) ("the Statement") of **Kamat Hotels (India) Limited**, 70-C, Nehru Road, Vile Parle (East), Mumbai - 400 099, for the quarter and half year ended 30th September, 2014 except for the disclosures regarding "Public Shareholding" and "Promoter and Promoter Group Shareholding" which have been traced from disclosures made by the management and have not been audited by us. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on this 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 financial 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 provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

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 Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.



For J. G. Verma & Co.
Chartered Accountants
(Registration No. 111381W)

J. G. Verma
Partner
Membership No. 5005

Place : Mumbai
Date : 8th November, 2014