

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

May 28, 2018

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

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

Code:- KAMATHOTEL-EQ

Dear Sirs,

Sub: Outcome of the Board Meeting held on 28th May, 2018 for consideration of audited financial results for the quarter and year ended 31st March, 2018.

Further to our letter dated 19th May, 2018, kindly note that the Board of Directors at its meeting held today has approved the following matters:

- a) Pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the following:
1. M/s. N. A. Shah Associates LLP, Chartered Accountants, Statutory Auditors have issued audit report with unmodified opinion on the Standalone Financial Results for the quarter and year ended 31st March, 2018 and
 2. M/s. N. A. Shah Associates LLP, Chartered Accountants, Statutory Auditors have issued audit report with modified opinion on the Consolidated Financial Results for the year ended 31st March, 2018. Annexure-1 (in respect of modified opinion on Consolidated Audited Financial Results) is enclosed herewith.
- b) Re-appointment of Ms. Himali H. Mehta, as Independent Director of the Company.

Ms. Himali H. Mehta has been re-appointed as Independent Director of the Company for the further term of 5 years effective from 1st April, 2019 subject to members approval of the Company at the ensuing Annual General Meeting to be held in calendar year 2018. Details required as per SEBI Circular CIR/CFD/CMD/4/2015 dated 9th September, 2015 are enclosed as Annexure A.

The Meeting commenced at 12.15 p.m. and concluded at 6.00 p.m.

Kindly take the same on your record and oblige.

Thanking you,

Yours faithfully,
For Kamat Hotels (India) Limited



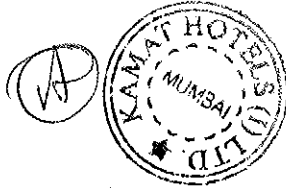
Amit Vyas
Company Secretary
Encl. a/a.

REGD OFF.: 70-C, Nehru Road, Vile Parle (East), Mumbai - 400 099, India. Tel.: 2616 4000, Fax : 2616 4203
Email-Id : cs@khil.com | Website: www.khil.com | CIN: L55101MH1986PLC039307



Annexure A

Particulars	Information
Reason for change viz. appointment, resignation, removal, death or otherwise	Term of appointment of Ms. Himali H. Mehta, Independent Director is due to expire on 31 st March, 2019. Thus, Board of Directors of the Company has approved her re-appointment for further term of 5 years effective from 1 st April, 2019.
Date of appointment/cessation (as applicable) & term of appointment	Re-appointment for further period of 5 years effective from 1 st April, 2019 subject to members approval of the Company at the ensuing Annual General Meeting to be held in calendar year 2018.
Brief profile (in case of appointment)	Ms. Himali H. Mehta is a M.E. Environmental Engineer and B. E. Civil Engineer with varied and rich professional experience in different field including environment. She was principal scientist and in charge head (Bio-conversion Technology Division) at Sardar Patel Renewable Energy Research Institute (SPRERI), Gujarat during June 2007 to March 2012. Prior to June, 2007, she had also worked as Programme Officer with Vikram Sarabhai Centre for Development Interaction (VIKSAT), Ahmedabad and as Lecturer, S. V. Regional College of Engineering and Technology, Surat. She has published several research papers on subjects related to her profession.
Disclosure of relationships between directors (in case of appointment of a director).	None



Kamat Hotels (India) Limited

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CIN: L55101MH1986PLC039307, Tel. No. 022 26164000

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

Statement of standalone and consolidated financial results for the quarter and year ended 31st March 2018

(Rs. in lakhs)

Sr No.	Particulars	Standalone				Consolidated		
		Quarter ended 31.03.2018	Quarter ended 31.12.2017	Quarter ended 31.03.2017	Year ended 31.03.2018	Year ended 31.03.2017	Year ended 31.03.2018	Year ended 31.03.2017
		Unaudited (Refer note 9)	Unaudited	Reviewed	Audited	Audited	Audited	Audited
1	Income							
	(a) Revenue from operations	4,911.29	4,848.20	4,200.12	16,852.23	15,466.91	19,873.55	18,320.64
	(b) Other income	148.31	180.41	340.40	676.38	995.51	702.23	970.86
	Total income	5,059.60	5,028.61	4,540.52	17,528.61	16,462.42	20,575.78	19,291.50
2	Expenses							
	(a) Consumption of food and beverages	471.46	504.48	327.16	1,669.36	1,298.20	2,045.40	1,634.86
	(b) Employee benefits expenses	1,012.06	1,008.02	954.33	3,947.00	3,546.65	4,865.72	4,193.79
	(c) Finance costs	550.46	517.26	564.71	1,479.94	2,768.37	1,574.40	2,816.33
	(d) Depreciation and amortisation expense	289.28	297.51	320.08	1,174.13	1,255.45	2,289.03	2,379.90
	(e) Other expenses							
	(i) Heat, light and power	216.61	254.28	253.31	1,089.53	1,343.91	1,511.59	1,760.85
	(ii) Others	1,504.63	1,335.09	1,070.74	4,812.09	4,236.90	6,450.71	5,344.88
	Total expenses	4,044.50	3,916.64	3,490.33	14,172.05	14,449.48	18,736.85	18,130.61
3	Profit/ (Loss) before share of profit/(loss) of joint venture, exceptional items and tax [1-2]	1,015.10	1,111.97	1,050.19	3,356.56	2,012.94	1,838.93	1,160.89
4	Share of profit/(loss) from joint venture accounted for using equity method	-	-	-	-	-	137.93	(91.07)
5	Profit/ (loss) before exceptional items and tax [3+4]	1,015.10	1,111.97	1,050.19	3,356.56	2,012.94	1,976.86	1,069.81
6	Exceptional items - income/(expense) - (Refer note 5 & 6)	-	(150.00)	(121.95)	1,751.90	1,830.02	(19,952.05)	3,061.76
7	Profit/(loss) for the year (5+6)	1,015.10	961.97	928.24	5,108.46	3,842.96	(17,975.19)	4,131.58
8	Tax expense							
	Current tax	-	-	11.20	-	11.20	-	11.20
	Less: MAT credit availed	-	-	(11.20)	-	(11.20)	-	(11.20)
	Income tax for earlier quarter/ year	-	8.98	(394.31)	8.98	-	8.98	0.01
	Deferred tax - Charge/ (credit)	121.79	319.93	24.99	1,310.45	24.99	1,235.53	(23.93)
9	Profit/ (loss) for the year [7-8]	893.31	633.06	1,297.55	3,789.03	3,817.96	(19,219.70)	4,155.50
10	Other comprehensive income							
	(a) Items that will not be reclassified to profit or loss							
	(i) Remeasurement of defined benefit plans	20.64	33.35	105.83	(5.57)	20.23	9.59	20.82
	(ii) Income taxes effect on above	(5.96)	(9.71)	(6.07)	1.67	(6.07)	1.67	(6.07)
	(b) Items that will be reclassified to profit or loss	-	-	-	-	-	-	-
	Total Other comprehensive income	14.68	23.64	99.76	(3.90)	14.16	11.26	14.75

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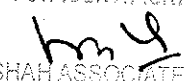


Kamat Hotels (India) Limited
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Statement of standalone and consolidated financial results for the quarter and year ended 31st March 2018

Contd.

Sr. No.	Particulars	Standalone					Consolidated		(Rs. in lakhs)
		Quarter ended 31.03.2018	Quarter ended 31.12.2017	Quarter ended 31.03.2017	Year ended 31.03.2018	Year ended 31.03.2017	Year ended 31.03.2018	Year ended 31.03.2017	
		Unaudited (Refer note 9)	Unaudited	Reviewed	Audited	Audited	Audited	Audited	
11	Total Comprehensive Income for the year (9+10) attributable to:								
	(a) To Owners of parent	907.99	656.70	1,397.31	3,785.13	3,832.12	(19,208.44)	4,170.25	
	(b) To Non controlling interest	-	-	-	-	-	-	-	
12	Out of total comprehensive income for the year:								
	Profit for the year attributable to:								
	(a) To Owners of parent	893.31	633.06	1,297.55	3,789.03	3,817.36	(19,219.70)	4,155.50	
	(b) To Non controlling interest	-	-	-	-	-	-	-	
	Other comprehensive income attributable to:								
	(a) To Owners of parent	14.68	23.64	99.76	(3.90)	14.16	11.26	14.75	
	(b) To Non controlling interest	-	-	-	-	-	-	-	
13	Paid-up equity share capital (Face value per share Rs. 10/- each)	2,417.26	2,417.26	2,417.26	2,417.26	2,417.26	2,417.26	2,417.26	
14	Earnings per share (Face value per share Rs. 10/- each)								
	(a) Basic (Rs.)	3.79	2.68	5.50	16.07	16.19	(81.49)	17.62	
	(b) Diluted (Rs.)	3.79	2.68	5.50	16.07	16.19	(81.49)	17.62	

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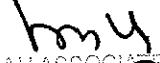


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Statement of standalone and consolidated financial results for the quarter and year ended 31st March 2018

Statement of assets and liabilities as at 31st March 2018

		(Rs. in lakhs)			
Particulars		Standalone (Audited)		Consolidated (Audited)	
		As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
Assets					
1	Non-Current Assets				
	(a) Property, plant and equipment	27,970.78	29,105.70	37,389.33	61,040.75
	(b) Capital work in progress	48.21	23.21	48.21	42.95
	(c) Investment property	1,107.29	1,132.28	1,107.29	1,132.28
	(d) Intangible assets	55.03	31.56	57.54	34.49
	(e) Intangible assets under development	-	11.12	-	11.12
	(f) Investment in subsidiaries, associates and joint venture	4.00	4.00	422.55	284.61
	(g) Financial assets				
	(i) Investments	11.05	11.01	11.05	11.12
	(ii) Loans and advances	1,769.04	1,681.85	1,925.81	1,868.82
	(h) Income tax assets (Net)	1,098.64	1,045.57	1,204.90	1,123.75
	(i) Deferred tax assets (Net)	-	22.16	-	-
	(j) Other non-current assets	3,997.25	4,152.74	3,997.24	4,157.75
	Sub- total	36,061.27	37,221.20	46,163.90	69,707.64
2	Current Assets				
	(a) Inventories	272.39	451.60	344.69	521.80
	(b) Financial assets				
	(i) Investments	5.00	97.30	5.00	97.30
	(ii) Trade receivables	1,436.72	778.07	1,688.02	858.21
	(iii) Cash and cash equivalents	358.59	268.43	532.10	796.03
	(iv) Bank balances other than (iii) above	81.12	49.19	81.12	49.19
	(v) Loans and advances	8.78	13.90	8.78	13.90
	(vi) Others	9.92	6,275.66	649.31	6,910.26
	(c) Other current assets	551.63	237.13	802.45	315.00
	Sub- total	2,724.15	8,171.28	4,111.47	9,561.69
	Total Assets	38,785.42	45,392.48	50,275.37	79,269.33

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Statement of standalone and consolidated financial results for the quarter and year ended 31st March 2018

Statement of assets and liabilities as at 31st March 2018 (Contd.)

		(Rs. in lakhs)			
	Particulars	Standalone (Audited)		Consolidated (Audited)	
		As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
1	Equity and Liabilities				
	Equity				
	(a) Equity share capital	2,417.26	2,417.26	2,417.26	2,417.26
	(b) Other equity	(7,593.94)	(11,379.08)	(18,825.84)	382.61
	Sub- total	(5,176.68)	(8,961.82)	(16,408.58)	2,799.87
2	Liabilities				
	Non-current liabilities				
	(a) Financial liabilities				
	(i) Borrowings	14,996.21	30,380.37	16,882.06	31,969.65
	(ii) Other financial liabilities	826.50	1,332.64	826.50	1,332.64
	(b) Provisions	204.67	174.25	231.38	212.13
	(c) Deferred tax liabilities (net)	1,286.61	-	1,493.21	259.34
	Sub- total	17,313.99	31,887.26	19,433.14	33,773.76
3	Current Liabilities				
	(a) Financial liabilities				
	(i) Borrowings	-	-	72.38	139.13
	(ii) Trade payables				
	- Amount due to Micro and small enterprises	56.29	25.02	56.29	25.02
	- Amount due to other than Micro and small enterprises	1,531.00	1,197.47	1,977.18	1,527.85
	(iii) Other financial liabilities	22,572.76	19,318.10	42,511.60	38,986.81
	(b) Other current liabilities	2,106.76	1,720.45	2,348.91	1,808.14
	(c) Provisions	281.30	206.01	284.44	208.74
	Sub- total	26,648.11	22,467.04	47,250.81	42,695.70
	Total equity and liabilities	38,785.42	45,392.48	50,275.37	79,269.33

Notes:

- The above standalone & consolidated results have been reviewed by the Audit Committee and are approved by the Board of Directors at the meeting held on 28th May 2018.
- The above results have been prepared in accordance with Indian Accounting Standards [Ind AS] notified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standard) Rules, 2015 (as amended). Beginning 1st April 2017, the Company has for the first time adopted Ind AS. The impact of transition has been provided in Other Equity [opening reserve as per previously Generally Accepted Accounting Principles (Previous GAAP)] as at 1st April 2016. The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS (Also refer note 11 below).

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Statement of standalone and consolidated financial results for the quarter and year ended 31st March 2018

3 The reconciliation of net profit for the quarter ended and for the year ended 31st March, 2017 under Ind AS and previous Indian GAAP is as follows:

Particulars	(Rs. in lakhs)		
	Standalone		Consolidated
	Quarter Ended 31.03.2017	Year ended 31.03.2017	Year ended 31.03.2017
Net profit as per previous GAAP	1,505.42	4,057.68	4,452.89
Add/(Less):			
Actuarial (gain)/loss on defined benefit liabilities reclassified to Other Comprehensive Income	(105.83)	(20.23)	(20.82)
Fair valuation of financial assets and liabilities	-	(117.90)	(117.90)
Remeasurement of employee benefit liability	25.71	-	-
Fair valuation of rental deposits (net)	(17.74)	(53.74)	(53.74)
Fair valuation of sales tax deferral (government loan)	(0.32)	(1.28)	(1.28)
Fair valuation of refundable membership deposits	(5.09)	(15.25)	(15.25)
Interest on borrowings is now measured at amortised costs	(81.03)	(6.98)	(6.98)
Amortisation of upfront fees	0.75	-	-
Share of profit - joint venture	(0.02)	(0.02)	(15.15)
Fair valuation of quoted investments	0.67	0.68	0.68
Deferred tax on Ind AS adjustments	73.08	73.08	73.08
Prior period adjustments (net)	(98.08)	(98.08)	(140.02)
Net profit/(loss) before Other Comprehensive Income as per Ind AS(A)	1,297.55	3,817.96	4,155.50
Add: Other comprehensive income (net of tax)(B)	99.76	14.16	14.75
Total comprehensive income (A+B)	1,397.31	3,832.12	4,170.25

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Statement of standalone and consolidated financial results for the quarter and year ended 31st March 2018

4 The reconciliation of equity as previously reported (referred to as "Previous GAAP") and equity as per the table below:

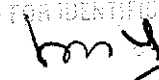
(Rs. in lakhs)

Particulars	Standalone		Consolidated	
	Year ended 31.03.2017	Year ended 01.04.2016	Year ended 31.03.2017	Year ended 01.04.2016
Total shareholders funds as per Previous GAAP	(7,110.08)	(11,167.76)	6,106.55	1,653.67
Fair valuation of security deposit	(2,282.65)	(2,210.91)	(2,282.65)	(2,210.91)
Fair value of club deposits	22.43	18.49	22.43	18.49
Fair valuation of investments	5.98	6.64	5.98	6.64
Fair valuation of bond deposit	82.04	65.64	82.04	65.64
Amortisation of Loans as per effective interest rate	892.50	992.98	892.50	992.98
Amortisation of leasehold land	(209.68)	(209.68)	(209.68)	(209.68)
Upfront fees on land	3.00	3.00	3.00	3.00
Sales tax deferral	(1.27)	-	(1.27)	-
Share of profit - joint venture	-	-	43.64	(15.15)
Deferred tax on Ind AS adjustments	474.26	461.62	474.26	461.62
Prior period adjustments	(838.35)	(740.27)	(2,336.93)	(2,136.65)
Total Impact	(1,851.75)	(1,612.50)	(3,306.68)	(3,024.04)
Total shareholder's funds as per Ind AS	(8,961.82)	(12,780.26)	2,799.87	(1,370.37)

5 Breakup of exceptional items (net) included in above results is as tabulated below:

(Rs. in lakhs)

Particulars	Standalone				Consolidation		
	Quarter ended 31.03.2018	Quarter ended 31.12.2017	Quarter ended 31.03.2017	Year ended 31.03.2018	Year ended 31.03.2017	Year ended 31.03.2018	Year ended 31.03.2017
Income							
Interest provision no longer required written back on settlement of loan dues	-	-	197.81	1,833.01	2,576.38	1,833.01	2,576.38
Reduction in liability towards long term and short term borrowings	-	-	16.02	-	485.38	-	485.38
Provision for doubtful advance written back	-	-	-	280.00	-	-	-
Sub Total (A)	-	-	213.83	2,113.01	3,061.76	1,833.01	3,061.76
Expenses							
Provision for impairment loss in subsidiary (OHPPL) (Refer note 6 below)	-	-	-	-	-	21,400.09	-
Loss on fixed assets discarded	-	-	-	95.79	-	95.79	-
Capital advances and capital work in progress written off	-	-	-	-	-	23.85	-
Incidental expenses related to settlement of loan dues	-	150.00	-	265.32	-	265.32	-
Provision for diminution in value of investment	-	-	-	-	533.00	0.00	-
Provision for doubtful advance given to subsidiary	-	-	335.78	-	698.74	0.00	-
Sub Total (B)	-	150.00	335.78	361.11	1,231.74	21,785.06	-
Total (A-B)	-	(150.00)	(121.95)	1,751.90	1,830.02	(19,952.05)	3,061.76

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Statement of standalone and consolidated financial results for the quarter and year ended 31st March 2018

- 6 In accordance with Ind AS 36- Impairment of assets, management of subsidiary company has reviewed the recoverable value in respect to net block of fixed assets as on 31st March 2018. Based on such assessment (including offers received pursuant to action initiated by the lender) provision for impairment loss amounting to Rs. 21,400.09 lakhs has been recognised during the current year.
- 7 As per standalone financial results, Company's accumulated losses as at 31st March, 2018 are in excess of its paid up capital and other equity and its current liabilities exceed the current assets as on that date. In the opinion of the management, considering the future business prospects, and the fact that the fair values of the assets of the Company are significantly higher than the debts, these results have been prepared on a going concern basis which contemplates realisation of assets and settlement of liabilities in the normal course of Company's business. The statutory auditors have drawn reference of above matter in their report on the standalone audited financial results for the quarter and year ended 31st March 2018. Further, reference was also drawn by the current statutory auditors in their report for the quarter ended 31st December 2017 and 30th September 2017 and erstwhile statutory auditor in their report for the quarter ended 30th June 2017 and for the previous quarters and year ended 31st March 2017.
- 8 Finance costs have reduced significantly in current year vis-a-vis last year consequent to settlement agreements entered into by the Company with the lenders/ARCs in current year.
- 9 The figures for the quarter ended 31st March, 2018 and quarter ended 31st March, 2017 are the balancing figures between the audited figures in respect of the full financial year and the unaudited published year to date figures up to the third quarter of the relevant financial year.
- 10 The Group is operating only in the hospitality service segment, therefore, disclosures of segment wise information is not applicable.
- 11 In standalone financial results, no provision is made for income tax for the year ended 31st March 2018 as (a) there is no taxable income as per normal provision of Income Tax Act, 1961 in view of brought forward losses and deductions available on payment basis; (b) there is negative book profit u/s 115JB of Income Tax Act, 1961 in view of brought forward losses as per books. Deferred tax charge for the year ended 31st March 2017 and 31st March 2016 has been adjusted in statement of profit & loss for the year ended 31st March 2017 and opening other equity as on 1st April 2016 respectively.
- 12 The audited consolidated financial results of the Company for the year ended 31st March 2018 and 31st March 2017 include annual audited 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 (OHEPL), (e) Kamats Restaurants (India) Private Limited (KRPL) and a Joint venture company - Ilex Developers & Resorts Limited (IDRL).
- 13 In respect of standalone financial statements of OHPPL,
 - a In respect of borrowing from Asset Reconstruction Company India Limited (ARCIL) [assigned by ICICI Bank in earlier years], outstanding balance as on 31st March 2018 aggregating to Rs. 18,833.99 lakhs (including interest liability accounted upto 30th September 2013) is subject to confirmation as the lender has initiated recovery proceedings including under SARFAESI Act.
 - b During the current year, the lender i.e. ARCIL has initiated the process of recovery of its dues by inviting expression of interest for selling the subsidiary company. The offers received are under consideration and negotiations are at advanced stage. In the opinion of the management, based on the offers received, the expected one-time settlement value would be lower than the principal and interest liability already accounted upto 30th September 2013, and hence no further interest liability is required to be accounted for the period 1st October 2013 to 31st March 2018.
 - c In respect of bank guarantee invoked by the bank in earlier years, Company has applied for the waiver of interest liability amounting to Rs. 134.00 lakhs (including for the year ended 31st March 2018 of Rs. 25.59 lakhs) payable on the total amount of bank guarantee invoked by the bank and therefore, the same is not accounted in the books of account.
 - d It has incurred net loss during the year ended 31st March 2018, its net worth is fully eroded as of that date and its current liabilities is more than its current assets as on 31st March 2018. Further, there are defaults in repayment of loans & interest and non-provision of interest as mentioned in para 13 (b) & (c) above. The lender of the subsidiary company has also initiated the process of recovery of its dues by inviting expression of interest for selling the subsidiary company. The offers received are under consideration and negotiations are at advanced stage. Management is expecting to settle the loan amicably with the lender. In view of the above, limited support available from the holding company due to financial constraints and considering provision for impairment of fixed assets made during the year, in the opinion of the management, standalone financial statements are prepared on going concern basis.
 - e In respect of dispute over lease rent levied by Director of Sports, the subsidiary company has accounted for the liability amounting to Rs. 886.54 lakhs for the period from 1st November 2014 to 31st March 2018; however, the same has not been paid pending settlement of arbitration proceedings before Bombay High Court and pending matter in the District Court, Pune.

Had the provision for interest as mentioned in para 13 (c) would have been made, the loss for the year as per consolidated financial results would increase by Rs. 25.59 lakhs and the negative other equity as on 31st March 2018 would increase by Rs. 134.00 lakhs in the consolidated financial results.

SIGNED FOR THE COMPANY
hmy
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, Email: cs@khil.com

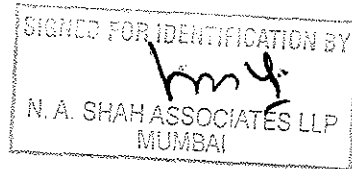
Statement of standalone and consolidated financial results for the quarter and year ended 31st March 2018

- 14 MPPL has incurred substantial losses during the year and previous financial years and its net worth is negative. Further, its current liabilities are exceeding current assets. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the subsidiary company's ability to continue as a going concern. In view of the subsidiary company's management, considering future prospects of business from hotel property post expiry of operation and management arrangement with holding company, fair value of the underlying hotel property and commitment from the holding company for financial support from time to time, standalone financial statements are prepared on going concern basis.
- 15 In consolidated financial results, material uncertainty exists that may cast significant 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 (OHPPL & MPPL). For preparation of standalone financials of Holding company and two subsidiaries, going concern assumption is considered appropriate by the management as appropriate steps are being taken to mitigate the impact of accumulated losses and improve cash flows. In view of the above and considering management's opinion, the consolidated annual financial results have also been prepared on a going concern basis.

The statutory auditors have issued qualified opinion in their report on the consolidated financial results on the matters covered in para 13(a) to 13(c) above and have drawn the reference in respect of matters covered in para 13(d), 13(e), 14 and 15 above.

Place: Mumbai

Date: 28th May, 2018



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

V. Kamat
Dr. Vithal V. Kamat
Executive Chairman and Managing Director
(DIN: 00195541)



Auditor's Report on standalone financial results 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. **Report on quarterly and year to date standalone financial results**

We have audited the accompanying Statement of Standalone Financial Results ("the Statement") of Kamat Hotels (India) Limited ("the Company") for the quarter and year ended 31st March 2018, 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) read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5th July, 2016, which has been initialed by us for identification purpose.

The Statement includes the results for the quarter ended 31st March 2018 being the derived figures between the audited figures in respect of the current full financial year ended 31st March 2018 and the published unaudited year-to-date figures upto 31st December, 2017, being the date of the end of the third quarter of the financial year, which were subjected to a limited review.

2. **Management's responsibility for the Statement**

These quarterly and year to date standalone financial results have been prepared on the basis of annual standalone financial statements, which are the responsibility of the Company's management.

3. **Auditor's responsibility**

Our responsibility is to express an opinion on the Statement based on our audit of annual standalone financial statements which have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.

We conducted our audit in accordance with the standard on auditing generally accepted in India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Statement that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statement.

We believe that our audit provides a reasonable basis for our opinion.

4. **Opinion**

In our opinion and to the best of our information and according to the explanations given to us this Statement:



N. A. SHAH ASSOCIATES LLP
Chartered Accountants

- i. are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and SEBI circular dated 5th July 2016 in this regard; and
- ii. give a true and fair view of the standalone net profit (including other comprehensive income) and other financial information for the year ended 31st March, 2018.

5. Material uncertainty related to going concern

Reference is invited to note 7 of the notes to the Statement. Company's accumulated losses are in excess of its paid up capital and other equity and its current liabilities exceeds its current assets as on 31st March 2018 by Rs. 24,000.67 lakhs. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. We are informed that Company's management is taking appropriate steps to mitigate the impact of accumulated losses and improve cash flows and in the opinion of management, the fair values of the assets of the Company are significantly higher than the debts. In view of the above and considering management's opinion, the annual financial statements and this Statements have been prepared on a going concern basis for the reasons stated in the said note.

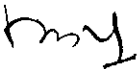
In respect of matter covered in above para, attention was drawn by us in limited review report for quarter ended 31st December 2017, 30th September 2017 and by the erstwhile statutory auditor in their limited review report / audit report for the quarter ended 30th June 2017 and in the previous quarters and previous financial year.

Our opinion is not modified in respect of above matter and was not modified in previous quarters. Erstwhile statutory auditor's opinion was also not modified in respect above matter in earlier quarters & previous financial year.

6. Other matters

The number and details under the columns 'Quarter ended 31st March 2017' and 'year ended 31st March 2017' prepared as per Indian Accounting Standard (Ind AS), are derived based on adjustments to figures reported as per previously applicable Generally Applicable Accounting Principles (previous GAAP) for the same period. The financial results for the quarter and year ended 31st March 2017 prepared as per Previous GAAP were audited by the erstwhile statutory auditor M/s. J.G. Verma & Co., Chartered Accountants, whose reports have been furnished to us and have expressed an unmodified opinion. We have relied upon these reports for the purpose of our audit opinion on the Statement.

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


Sandeep Shah
Partner
Membership number: 37381



Place: Mumbai
Date: 28th May 2018

Auditor's Report on consolidated financial results 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. Report on consolidated financial results

We have audited the accompanying Statement of Consolidated Financial Results ("the Statement") of Kamat Hotels (India) Limited ("the Holding Company") and its five subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and joint venture for the year ended 31st March 2018, 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) read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5th July, 2016, which has been initiated by us for identification purpose.

2. Management's responsibility for the Statement

These consolidated financial results have been prepared on the basis of annual consolidated financial statements, which is the responsibility of the Holding Company's management.

3. Auditor's responsibility

Our responsibility is to express an opinion on the Statement based on our audit of annual consolidated financial statements which have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.

We conducted our audit in accordance with the standard on auditing generally accepted in India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Statement that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Directors, as well as evaluating the overall presentation of the financial statement.

We believe that our audit provides a reasonable basis for our qualified opinion.

4. Basis of qualified opinion

We draw attention to the following qualification given to the audit opinion on the standalone financial statement of the subsidiary company [Orchid Hotels Pune Private Limited ('OHPPL')] issued by us vide our report dated 23rd May 2018 on matters which are relevant to our opinion on the Consolidated Financial Results of the Group, and are reproduced by us as under:



N. A. SHAH ASSOCIATES LLP
Chartered Accountants

- a. Attention is invited to note 13(b) of financial results, pending final settlement with lender (ARCIL), in view of the management for the reasons stated in the said note, no further interest liability is required to be accounted for the period 1st October 2013 to 31st March 2018. Further, as stated in note 13(a) of the notes to the financial results, balance as at 31st March 2018 in respect of principal amount of loan and interest liability accounted is subject to confirmation. In the absence of confirmations from the lender, we cannot comment on the adjustment that would be required to the carrying value of these balances on the accompanying consolidated financial results.
- b. Attention is invited to note 13(c) of financial results regarding non-provision of interest liability of Rs.134.00 lakhs (including for the year ended 31st March 2018 of Rs. 25.59 lakhs) in respect of total bank guarantee invoked by the ICICI bank in earlier years. Had the provision for interest would have been made, loss for the year as per consolidated financial results would have increased by Rs. 25.59 lakhs, closing balance of negative other equity and current liabilities would have been increased by Rs.134.00 lakhs in the consolidated financial results as on 31st March 2018.

5. Qualified opinion

In our opinion and to the best of our information and according to the explanations given to us, this Statement:

- a. Includes annual audited financial results for the year ended 31st March 2018 of following entities:

Sr. No.	Name of entity
	Subsidiary companies
1	Orchid Hotels Pune Private Limited (OHPPL)
2	Kamats Restaurants (India) Private Limited (KRPL)
3	Fort Jadhavgadh Hotels Private Limited (FJHPL)
4	Mahodadhi Palace Private Limited (MPPL)
5	Orchid Hotel Eastern (India) Private Limited (OHEPL) (formerly known as Green Dot Restaurants Private Limited)
	Joint venture
6	Ilex Developers & Resorts Limited (IDRL)

- b. Have been presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and SEBI circular dated 5th July 2016 in this regard; and
- c. Give a true and fair view of the consolidated net loss (including other comprehensive income) and other financial information for the year ended 31st March 2018 except for the possible effects of matters described in paragraph 4 above.

6. Material uncertainty related to going concern

- a. Attention is invited to note 13(d), 14 and 7 of Statement which indicates that there is material uncertainty related to continuity as going concern of OHPPL (subsidiary company), MPPL (subsidiary company) and the Holding Company respectively. Further reference is also invited to note 15 of the notes to the Statement. In consolidated financial results, material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern on account of accumulated losses, negative net worth and negative working capital in Holding company and two subsidiaries as mentioned in those notes. For preparation of standalone financials statements of Holding company and two subsidiaries, going concern assumption is considered appropriate by the management as appropriate steps are being taken to mitigate the impact of accumulated losses and improve the cash flows as mentioned in



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note 13(d), 14 and note 7. In view of the above and in the opinion of management, the consolidated financial results of the Group have also been prepared on a going concern basis.

Our opinion is not modified in respect of above matter.

7. Emphasis of matter

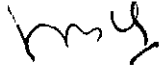
- a. Attention is invited to note 13(e) of financial results regarding dispute over lease rent payable to government agency. Pending outcome of the dispute, the subsidiary company (OHPPL) has accounted for the liability amounting to Rs. 886.54 lakhs for the period from 1st November 2014 to 31st March 2018; however, the same has not been paid. As per the management interest/penalty if any, will be accounted in the year in which dispute will be resolved.
- b. Reference is invited to note 5 exceptional item which includes provision for impairment loss amounting to Rs. 21,400.09 lakhs which has been recognised during the current year based on management assessment and other developments as stated in the said note.

Our opinion is not modified in respect of matters covered in para 7(a) & 7 (b) above.

8. Other matters

The consolidated results for the year ended 31st March 2017 prepared as per Indian Accounting Standard (Ind AS), are derived based on the adjustments to figures reported as per previously applicable Generally Applicable Accounting Principles (previous GAAP) for the same period. The consolidated financial results for the year ended 31st March 2017, prepared as per Previous GAAP were audited by the erstwhile statutory auditor M/s. J.G. Verma & Co., Chartered Accountants, whose report has been furnished to us and have expressed an unmodified opinion. We have relied upon these reports for the purpose of our audit opinion on the Statement.

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



Sandeep Shah
Partner
Membership number: 37381



Place: Mumbai
Date: 28th May, 2018

Annexure-1

Statement of Impact of Audit Qualifications for the financial year ended March 31, 2018

[Pursuant to Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016]

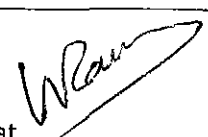
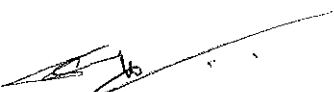
(Rupees in lakhs)

I.	Sr. No.	Particulars	Audited figures (as reported before adjusting for qualifications)	Adjusted figures (Audited figures after adjusting for qualifications)
	1.	Turnover/ Total Income	20,575.78	20,575.78
	2.	Total Expenditure	39,784.22	Refer note II (e) (iii) below and in respect of note II (e) (iii) not ascertained pending settlement.
	3.	Net Profit/ (Loss) [before Other Comprehensive Income]	(19,208.44)	Refer note II (e) (iii) below and in respect of note II (e) (iii) not ascertained pending settlement.
	4.	Earnings per share	(81.49)	Refer note II (e) (iii) below and in respect of note II (e) (iii) not ascertained pending settlement.
	5.	Total Assets	50,275.37	50,275.37
	6.	Total Liabilities	66,883.95	Refer note II (e) (iii) below and in respect of note II (e) (iii) not ascertained pending settlement.
	7.	Net Worth	(16,608.58)	Refer note II (e) (iii) below and in respect of note II (e) (iii) not ascertained pending settlement.
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-
II.	Audit Qualification (Each audit Qualification Separately): In respect of a consolidated financial results			
	a. Details of Audit Qualification:			
	<p>We draw attention to the following qualifications given to the audit opinion on the standalone financial statement of the subsidiary company [Orchid Hotels Pune Private Limited ('OHPPL')] issued by us vide our report dated 23rd May 2018 on matters which are relevant to our opinion on the Consolidated Financial Results of the Group, and are reproduced by us as under:</p>			
	<p>(i) Attention is invited to note 13(b) of financial results, pending final settlement with lender (ARCIL), in view of the management for the reasons stated in the said note, no further interest liability is required to be accounted for the period 1st October 2013 to 31st March 2018. Further, as stated in note 13(a) of the notes to the financial results, balance as at 31st March 2018 in respect of principal amount of loan and interest liability accounted is subject to confirmation. In the absence of confirmations from the lender, we cannot comment on the adjustment that would be required to the carrying value of these balances on the accompanying consolidated financial results.</p>			

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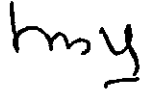


	<p>(ii) Attention is invited to note 13(c) of financial results regarding non-provision of interest liability of Rs.134.00 lakhs(including for the year ended 31st March 2018 of Rs. 25.59 lakhs) in respect of total bank guarantee invoked by the ICICI bank in earlier years.Had the provision for interest would have been made, loss for the year as per consolidated financial results would have increased by Rs. 25.59 lakhs, closing balance of negative other equity and current liabilities would have been increased by Rs.134.00 lakhs in the consolidated financial results as on 31st March 2018.</p>
	b. Type of Audit Qualification: Qualified opinion/ Disclaimer of Opinion/ Adverse Opinion
	c. Frequency of Qualification: First time/ repetitive/ since how long continuing
	d. For Audit Qualification(s) where impact is quantified by the auditor, Management’s views: N.A.
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	<p>i. Management’s estimation on the impact of audit qualification:</p> <p>In respect of bank guarantee invoked by the bank in earlier years, Company has applied for the waiver of interest liability amounting to Rs. 134.00 lakhs (including for the year ended 31st March 2018 of Rs. 25.59 lakhs) payable on the total amount of bank guarantee invoked by the bank and therefore, the same is not accounted in the books of account.</p>
	<p>ii. If management is unable to estimate the impact, reasons for the same:</p> <p>During the current year, the lender i.e. ARCIL has initiated the process of recovery of its dues by inviting expression of interest for selling the subsidiary company. The offers received are under consideration and negotiations are at advanced stage. In the opinion of the management, based on the offers received, the expected one-time settlement value would be lower than the principal and interest liability already accounted upto 30th September 2013, and hence no further interest liability is required to be accounted for the period 1st October 2013 to 31st March 2018.</p>
	<p>iii. Auditor’s Comments on (i) or (ii) above: Refer II(a)(i) and II(a)(ii) above</p>
III.	Signatories:
	<ul style="list-style-type: none"> • CEO/ Managing Director Dr. Vithal V. Kamat 
	<ul style="list-style-type: none"> • CFO Ms. Smita Nanda 

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

	<ul style="list-style-type: none"> Chairman of the Audit Committee 	Mr. S.S. Thakur 
	<ul style="list-style-type: none"> Statutory Auditor 	For N.A. Shah & Associates LLP Chartered Accountants (FRN: 116560W/W100149)  Mr. Sandeep Shah Partner Membership No. 37381
Place: Mumbai		
Date: 28 th May 2018		

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