KAMAT HOTELS (INDIA) LIMITED

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

August, 31, 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,

This is to inform you that the 31st Annual General Meeting of the members of the Company is scheduled to be held at "Vishal Hall", Hotel Highway Inn, Sir M. V. Road (Andheri Kurla Road), Near Railway Station, Andheri (East), Mumbai – 400 069 on Wednesday, the 26th September, 2018 at 11.30 a.m.

Also inform you that the Register of Members and the Share Transfer Books in respect of Equity Shares of the Company shall remain closed from Wednesday, 19th September, 2018 to Wednesday, 26th September, 2018 (both days inclusive) for the purpose of 31st Annual General Meeting of the Company.

Please find attached herewith Annual Report of the Company for the year ended 31st March, 2018 for your record.

Kindly acknowledge the receipt of the same.

Thanking you,

Yours faithfully,
For Kamat Hotels (India) Limited

Amit Vyas
Company Secretary
Encl. a/a.

ANNUAL REPORT 2017-18

The Kamats Group

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

HOSPITALITY
blessed by Nature

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

KAMAT HOTELS (INDIA) LIMITED

THE ORCHID — MUMBAI | PUNE

Fort JadhavGADH — PUNE

MAHODADHI PALACE — PURI - ODISHA

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

THE BACKBONE OF KAMAT HOTELS (INDIA) LIMITED.

Dr. Vithal Venketesh Kamat

Executive Chairman and Managing Director

Dr. Vithal Venketesh Kamat, a second-generation restaurateur, a pioneer in green hotels, an environmentalist, an entrepreneur, an educationalist, an antiquarian, an ornithologist, an author, a globetrotter, and a black belt holder in karate, is a versatile personality. Having begun his journey in a small, family-owned vegetarian restaurant, Dr. Vithal Kamat today is Executive Chairman and Managing Director of Kamat Hotels (India) Limited.

Dr. Vithal Kamat is a recipient of many national and international awards including 'Best CEO of Industry Award' by The Indian Express, 'Golden Peacock Award' received from the hands of His Holiness The Dalai Lama, and the 'Lifetime Achievement Award' in Berlin, Germany.

THE ORCHID
FIVE STAR ECOTEL HOTEL
FRIENDLY, ECO-FRIENDLY

Asia's First Ecotel Certified 5 Star hotel located close to the Mumbai Domestic Airport

Choose from 14 different types of board rooms, conference halls and banquet halls of varying capacities to celebrate special occasions in style or to make that great first impression in business meetings at The Orchid Hotel.

TOTAL ROOMS: 372 | BANQUETS: 14

FOOD & BEVERAGES OUTLETS

Vindhyas

Concept: South Indian Cuisine
Personality: Cultural & Traditional
Timings: 12pm to 3pm and 7pm to 11.45pm
Cuisine: South Indian - 4 states

Boulevard

Concept: Speed (10 min Lightning Menu)
Personality: Energetic
Timings: 24hrs.
Cuisine: Indian, Continental, Chinese, Mexican

mostlygrills

Concept: Contemporary Barbeque Designer Cuisine
Personality: Stylish, Romantic and Relaxed
Timings: 4pm to 11.45pm
Cuisine: Barbeque/Grill - Continental/Indian

MERLIN'S

Concept: Lounge
Personality: Lovely
Timings: Mon-Fri 4pm to 1.30am
Sat-Sun 12pm to 1.30am

Distance From:

Domestic Airport Mumbai: **1 km**
International Airport Mumbai: **7 kms**
Railway Station Vile Parle: **1 km**

Reservations:

The Orchid, 70-C, Nehru Road, Adjacent to Domestic Airport, Vile Parle (E), Mumbai - 400 099.
Tel: +91 (22) 2616 4040 | Fax: +91 (22) 2616 4141 | Toll Free No: 1800 22 5432 | www.orchidhotel.com

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

Maharashtra's First and only Fort Heritage Hotel

Explore the perfect amalgam of Old-Era Charm, contemporary opulence and absolute comfort.

Take a journey through 300 years of history and experience the grandiose of the Maratha regime at the Fort Jadhavgadh Hotel and Resort - Maharashtra's only Fort Heritage hotel and best resorts near Pune.

TOTAL ROOMS: 58 | BANQUETS: 04

FOOD & BEVERAGES OUTLETS

Kund The Pool Bar

Concept: Our beautifully enclosed swimming pool 'Kund' is built using the fort's 300 year old rain water harvesting system. It comes with a pooside bar and a specially designed menu for our guests.

Timings: 11 am to 11 pm

Cuisine: Cocktails and Snacks

Aangan The Courtyard Café

Concept: The Court yard Café 'Angan' is an outdoor open air restaurant where you can dine by candlelight with live grills just a few feet away from the table.

Timings: Breakfast 7:30 am to 10:30 am, Lunch 12:30 pm to 3:30 pm, Dinner 7:30 pm to 10:30 pm

Cuisine: Traditional and Continental

Chhajja All day dining

Concept: All day dining restaurant 'Chajja' is decorated in a subtle style just like the fort. The extended canopy 'Jharokha' sit-out overlooks the lush green farm lands.

Timings: 24*7 hours

Cuisine: Traditional and Continental

Payatha Ethnic Foothill Restaurant

Concept: The Ethnic Foothill Restaurant 'Payatha' is a fine dining fresco restaurant, to spend your evenings watching white owls and other night birds, right from the table.

Timings: Dinner 7:30 pm to 10:30 pm & Saturday, Sunday Mela Brunch.

Cuisine: Traditional Maharastrian

Distance From:

Domestic Airport Pune: **45 Minutes**
Railway Station Pune: **45 Minutes**
Mumbai: **3.5 Hours**
Pune: **30 Minutes**

Reservations:

Fort JadhavGADH - A Gadh Heritage Hotel Jadhavwadi, Hadapsar Saswad Road, Pune - 412301.
Tel: +91 99 8757 3818 | Tel: +91 2115 305200/305220 | www.fortjadhavgadh.com

MAHODADHI PALACE

Odisha's First & Only Palace Heritage Hotel at Puri Sea Beach

Explore a world-class heritage hotel that offers top-of-the-line facilities for travelers on their journey in Puri.

Mahodadhi Palace is the ideal choice for a grand stay with a colonial charm, in Puri.

TOTAL ROOMS: 25 | BANQUETS: 01

FOOD & BEVERAGES OUTLETS

BARöN
ON & ON & ON

Theme: British Theme
Timings: 10.30 am- 10.30 pm
Cuisine: Multi-Cuisine

Theme: Ethnic Village
Timings: 7am - 11pm
Cuisine: Multi-Cuisine

Distance From:

International Airport, Bhubaneswar: **65 kms**
Railway Station, Puri: **2.5 kms**

Reservations:

Mahodadhi Palace, Sea Beach Road, Near Swargadwar, Puri - 752001.
Tel: +91 6752 220440, 220880 | www.mahodadhipalace.com

LOTUS RESORTS

Chill. Still. Tranquil.

KONARK

Odisha's First & Only Eco Beach Resort at Konark Sea Beach

Conveniently located 7 kms from Konark, away from the hurly-burly of the city, is Konark's exquisite eco resort, scenically nestled on the confluence of the Kusabhadra River and the Bay of Bengal.

TOTAL ROOMS: 27 | BANQUETS: 01

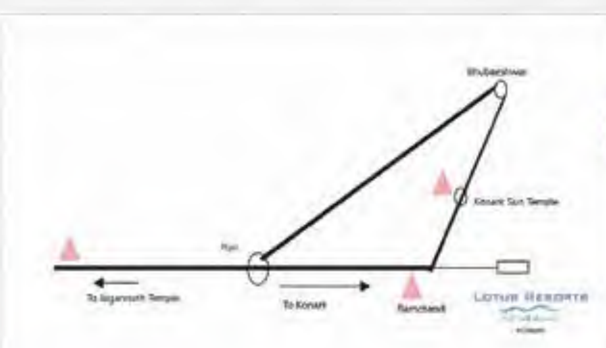
FOOD & BEVERAGES OUTLETS

BAY SPIRITS

Concept: Sea Side Open Bar
Personality: Goan
Timings: 12.00 noon - 10.00 pm
Cuisine: Indian, Continental & Chinese

WATERFRONT GRILL

Concept: Beach View Seafood Restaurant
Timings: 7 am - 10.30 pm
Cuisine: Indian, Continental & Chinese



Distance From:

Domestic/International Airport, Bhubaneswar: **80 kms**

Railway Station Puri: **28 kms**

Sun Temple, Konark : **7 kms**

Reservations:

Lotus Eco Resort, Puri - Konark Marine Drive Road, Konark -752111.

Tel: +91 9090093464 | http://www.lotusresorthotels.com/eco-resort-konark

LOTUS RESORTS

GOA

A beach resort near Benaulim beach

Conveniently located in Benaulim, a charming town in Goa that boasts of great scenic delights and beaches, Lotus Beach Resort Goa is a perfect gateway to start your vacation with.

TOTAL ROOMS: 48 | BANQUETS: 01

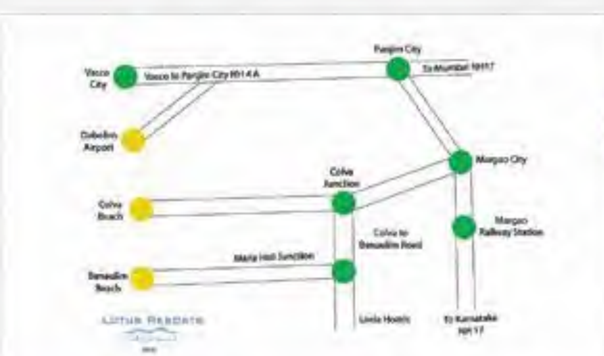
FOOD & BEVERAGES OUTLETS

Sea Wave
Restaurant

Concept: Goan Cuisine
Timings: 07:00 am to 11:00 pm
Cuisine: Multi-Cuisine

Sea Shell
Bar

Concept: Resto Bar
Timings: 08:00 am to 10:30 pm
Cuisine: Multi-Cuisine



Distance From:

Domestic Airport Dabolim: **25 kms**
Railway Station Madgaon: **7 kms**
By Road from Panjim: **38 kms**

Reservations:

Lotus Resort Goa,Benaulim Beach Road, via Maria Hall,Vaswaddo, Salcete, Margao-Goa 403716.
Tel: (0832)2771175/76/78/79 | www.lotusresorthotels.com

VITS

Guest. Rest. Best.

Luxury Business Hotel - Mumbai

A 4 Star hotel near Mumbai International Airport

If you think that enjoying yourself on a business trip is next to impossible, book yourself a room at VITS Mumbai Hotel, and watch us prove you wrong.

TOTAL ROOMS: 195 | BANQUETS: 11

FOOD & BEVERAGES OUTLETS

Pool Side

Concept: All day Dinning
Personality: Energetic/Relaxed
Timings: 24 hrs
Cuisine: Indian, Chinese, Continental, Mexican, Tandoor

Q BAR

Concept: Lounge Bar
Personality: Vibrant/Cosmopolitan
Timings: 16.00hrs-01.30 hrs

Distance From:

Domestic Airport Mumbai: **4 kms**
International Airport Mumbai: **1 km**

Reservations:

International Airport Zone, Andheri Kurla Road, Andheri East, Mumbai - 400 059.
Tel: +91 (22) 6151 7555 / 2827 0707 | Toll Free No: 1800 209 7555 | www.vitshotels.com/mumbai/

VITS

Guest. Rest. Best.

Luxury Business Hotels - Bhubaneswar

One of the best mid market hotels in Bhubaneswar

In the 'Temple City of India' which flaunts the entire spectrum of Kalinga architecture, lies a perfect retreat for travellers visiting this temple town, Bhubaneswar.

TOTAL ROOMS: 69 | BANQUETS: 04

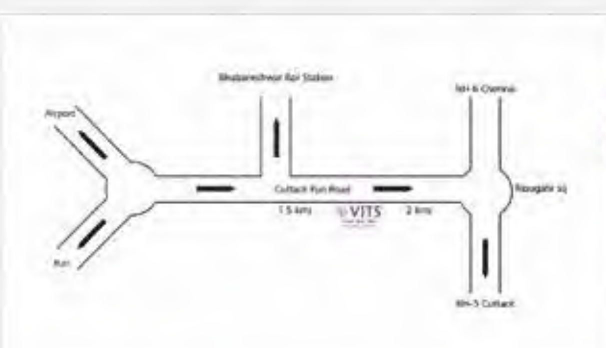
FOOD & BEVERAGES OUTLETS

The Sizzle

Concept: Modern
Personality: Energetic
Timings: 24 X 7
Cuisine: Multi-Cuisine

BEHIND BARS Rest-O-Bar

Concept: Fork Bite
Personality: Calm and Quite
Timings: 12 pm to 12 am
Cuisine: Multi-Cuisine



Distance From:

Domestic/International Airport: **5.3 kms**
Railway Station: **4 .2 kms**

Reservations:

A/19, Cuttack Puri Road, Near Jatri Niwas, Laxmi Sagar, Bhubaneswar- 751 006.
Tel: +91 674 6601075 | www.vitshotels.com/bhubaneswar/

KAMAT HOTELS (INDIA) LIMITED
BOARD OF DIRECTORS

Dr. Vithal V. Kamat
Executive Chairman and Managing Director

Mr. S. S. Thakur
Independent Director

Mr. Dinkar D. Jadhav
Independent Director

Ms. Himali H. Mehta
Independent Director

Mr. Bipinchandra C. Kamdar
Non Executive Director

Ms. Smita Nanda
Chief Financial Officer

Mr. Amit Vyas
Company Secretary

BANKERS
Canara Bank
HDFC Bank
State Bank of India
Axis Bank
Oriental Bank of Commerce
Kotak Mahindra Bank
UCO Bank

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

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

CONTENTS

KAMAT HOTELS (INDIA) LIMITED

KAMAT HOTELS (INDIA) LIMITED

CIN: L55101MH1986PLC039307
Regd. Office : 70-C, Nehru Road, Near Santacruz Airport, Vile Parle (East), Mumbai -400099.
Tel. No. 022 26164000, Website: www.khil.com, Email: cs@khil.com

NOTICE

Notice is hereby given that the Thirty-First Annual General Meeting of the members of **Kamat Hotels (India) Limited** will be held at "Vishal Hall", Hotel Highway Inn, Sir M. V. Road (Andheri Kurla Road), Near Railway Station, Andheri (East), Mumbai – 400 069 on Wednesday, the 26th September, 2018 at 11.30 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (Standalone & Consolidated) of the Company for the financial year ended on 31st March, 2018 and Reports of the Board and Auditors thereon.
2. To appoint a Director in place of Mr. Bipinchandra C. Kamdar (DIN: 01972386), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

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

   "RESOLVED THAT subject to and in accordance with the provisions of sections 149, 152 and Schedule IV read with Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') (including any statutory modifications or re-enactment thereof for the time being in force) and subject to approval of the members of the Company as required under the said provisions, the Board of Directors do hereby approve the re-appointment of Mr. Dinkar D. Jadhav (DIN 01809881), as an Independent Director of the Company, not liable to retire by rotation, for a further period of 5 years, with effect from 1st April, 2018 on the same terms as per his existing appointment.

   RESOLVED FURTHER THAT Dr. Vithal V. Kamat, Executive Chairman and Managing Director of the Company be and is hereby authorize to issue and sign the appointment letter of Mr. Dinkar D. Jadhav and to do all such acts, deeds and matters as may be expedient and deemed fit in this regard including filing of necessary forms with Registrar of Companies, Maharashtra."

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

   "RESOLVED THAT subject to and in accordance with the provisions of sections 149, 152 and Schedule IV read with Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') (including any statutory modifications or re-enactment thereof for the time being in force) and subject to approval of the members of the Company as required under the said provisions, the Board of Directors do hereby approve the re-appointment of Ms. Himali H. Mehta (DIN 07037244), as an Independent Director of the Company, not liable to retire by rotation, for a further period of 5 years, with effect from 1st April, 2019 on the same terms as per her existing appointment.

   RESOLVED FURTHER THAT Dr. Vithal V. Kamat, Executive Chairman and Managing Director of the Company be and is hereby authorize to issue and sign the appointment letter of Ms. Himali H. Mehta and to do all such acts, deeds and matters as may be expedient and deemed fit in this regard including filing of necessary forms with Registrar of Companies, Maharashtra."

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

   "RESOLVED THAT pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, which has been inserted by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, to be effective from 1st April, 2019 and other applicable provisions, if any, of the Companies Act, 2013, including any amendment(s), statutory modification(s) or re-enactment(s) thereof, for the time being in force, approval of the members of the Company be and is hereby granted for continuation of holding office of Non- Executive Director of the Company, by Mr. Bipinchandra C. Kamdar (DIN: 01972386) who will be above the age of 75 (Seventy Five) years as on 1st April, 2019.

   RESOLVED FURTHER THAT Dr. Vithal V. Kamat, Executive Chairman and Managing Director of the Company be and is hereby authorized to do all such acts, deeds, matters and things and to take all such steps as may be considered necessary, proper or expedient to give effect to this resolution."

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

   "RESOLVED THAT in supersession of all the earlier Resolutions passed in this regard, pursuant to the provisions of Section 186 and all other applicable provisions, if any, of the Companies Act, 2013 (the 'Act'), and the Rules framed thereunder including any statutory modification or re-enactment thereof for the time being in force, and such other approvals as may be required in that behalf, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) to:

- make loans from time to time on such terms and conditions as it may deem expedient to any person or other bodies corporate;
- give on behalf of any person, body corporate, any guarantee, or provide security in connection with a loan made by any other person to, or to any other person by any body corporate; and
- acquire by way of subscription, purchase or otherwise the securities of any other body corporate.

in excess of the limits prescribed under Section 186 of the Act upto an aggregate sum of ₹ 1,000 crores (Rupees One Thousand Crores only) notwithstanding that the aggregate of loans and investments so far made, the amounts for which guarantee or security so far provided to, along with the investments, loans, guarantee or security proposed to be made or given by the Board may exceed sixty per cent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is higher.

RESOLVED FURTHER THAT the consent of the Company be and is hereby accorded to the Board to invest in the Subsidiaries, Associates, Related Parties, make loans to them; provide guarantees/security on their behalf, to person, within the limits, if any, as may be applicable from time to time and on such terms and conditions as may be deemed fit and expedient.

RESOLVED FURTHER THAT the Board be and is hereby authorised to negotiate the terms and conditions of the above said investments, loan(s), security(ies) or guarantee(s) as they deem fit and in the best interest of the Company and take all such steps as may be necessary to complete the same and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary and with power to settle questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further approval of the Members of the Company."

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

"RESOLVED THAT pursuant to provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modifications or re-enactments thereof, approval of the Members of the Company be and is hereby accorded to the Board of Directors (including any Committee which the Board may have constituted or may hereinafter constitute to exercise the power conferred by this Resolution) to create such mortgages, charges and hypothecations in addition to the existing mortgages, charges and hypothecations created by the Company, on all or any of the immovable and movable properties of the Company wheresoever situate both present and future, and the whole or any part of the undertaking of the Company together with powers to take over the management of the business and concern of the Company in certain events, in such manner as the Board may deem fit, to or in favour of all or any of the financial institutions/banks/lenders/ any other investing agencies and trustees for the holders of debentures/bonds/other financial instruments which may be issued to and subscribed by all or any of the financial institutions/ banks/ lenders/ other investing agencies or any other person(s)/ bodies corporate by private placement or otherwise, to secure rupee/ foreign currency loans and / or the issue of debentures, bonds or other financial instruments (hereinafter collectively referred to as "Loans") provided that the total amount of Loans together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company to the aforesaid parties or any of them under the arrangements entered into/ to be entered into by the Company in respect of the said Loans, shall not at any time exceed the limit of ₹ 1,000 crores (Rupees One Thousand Crores only).

RESOLVED FURTHER THAT approval of the members be and is hereby accorded to the the Board of Directors of the Company (including any Committee which the Board may have constituted or may hereinafter constitute to exercise the power conferred by this Resolution) for the creation of such mortgages, charges, hypothecation and any other securities to or in favour of such lenders/trustees of lenders and the Board be and is hereby authorised to finalize with the lenders/trustees of the lenders all the document for creating mortgages, charges, hypothecations and/or any other security and to accept any modifications to, or to modify, alter or vary, the terms and conditions of the aforesaid documents as it may consider fit and proper in connection with the aforesaid borrowings and to do all such acts, deeds, matters and things as it may consider necessary, for the purpose of giving effect to this resolution.

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

"RESOLVED THAT in accordance with Regulation 23 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 ("LODR"), (including any statutory modification or re-enactment thereof for the time being in force),and such other approvals, consents and permissions being obtained from the appropriate authorities to the extent applicable and necessary, the approval of the Members of the Company be and is hereby accorded for pledge of shares by Dr. Vithal V. Kamat for securing the Rupee term Loan of ₹ 9,00,00,000 (Rupees Nine Crores Only) taken by the Company from Edelweiss Assets Reconstruction Company Limited, on such terms and conditions as agreed between the Board of Directors of the Company and Edelweiss Assets Reconstruction Company Limited.

RESOLVED FURTHER THAT the Board be and is hereby authorised and empowered to finalise and execute necessary documents and other ancilary documents and to do all such other acts, deeds, matters and things as they may deem necessary and/or expedient to give effect to the above resolution including without limitation, to settle any questions, difficulties or doubts that may arise in this regard."

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

   "RESOLVED THAT pursuant to the provisions of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and other applicable provisions if any, consent of members of the Company be and is hereby accorded for continuation of Directorship of Mr. S. S. Thakur (DIN 00001466) who was appointed as Independent Director of the Company for a period of 5 years on 24th September, 2016 till 23rd September, 2021 by way of Ordinary resolution and who have attained the age of 75 years for the remaining period of this existing term of Directorship as Independent Director of the Company.

   RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be deemed proper and expedient to give effect to this Resolution."

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

Place: Mumbai
Date: 29th June, 2018

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

Amit Vyas
Company Secretary

NOTES:

1. A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote in the meeting instead of himself / herself, and the proxy need not be a member of the Company. A person can act as a proxy on behalf of a maximum of 50 members and holding in aggregate not more than 10% of the total share capital of the Company. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy, provided that the person does not act as proxy for any other person or shareholder.

2. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board resolution to the Company or upload it on the e-voting portal, authorizing their representative to attend and vote on their behalf at the meeting.

3. The instrument appointing the proxy, duly completed, must be deposited at the Company's registered office not less than 48 hours before the commencement of the meeting (on or before September 24, 2018, 11:30 a.m. IST). A proxy form for the AGM is enclosed.

4. During the period beginning 24 hours before the time fixed for the commencement of the AGM and until the conclusion of the meeting, a member would be entitled to inspect the proxies lodged during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.

5. Members / proxies / authorized representatives should bring the duly filled attendance slip enclosed herewith to attend the meeting.

6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act will be available for inspection by the members at the AGM.

7. The Register of Members and Share Transfer Books will remain closed from Wednesday, 19th September, 2018 to Wednesday, 26th September, 2018 (both days inclusive) for the purpose of Annual General Meeting.

8. We urge members to support our commitment to environmental protection by choosing to receive their shareholding communication through email. You can do this by updating your email addresses with your depository participants.

9. In compliance with Section 108 of the Act, read with corresponding rules, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'), the Company has provided a facility to its members to exercise their votes electronically through the electronic voting (e-voting) service facilitated by the National Securities Depository Limited (NSDL). The facility for voting will also be made available at the AGM and members attending the AGM, who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. The instructions for e-voting are annexed to the Notice. The Board has appointed M/s. V. V. Chakradeo, Practicing Company Secretary, as the Scrutinizer to scrutinize the e-voting in a fair and transparent manner.

10. The e-voting period commences on Friday, September 21, 2018 (9:00 a.m. IST) and ends on Tuesday, September 25, 2018 (5:00 p.m. IST). During this period, members' holding shares either in physical or dematerialized form, as on the cut-off date, i.e. September 19, 2018 may cast their vote electronically. The e-voting module will be disabled by NSDL for voting thereafter. A member will not be allowed to vote again on any resolution for which the vote has already been cast. The voting rights of members shall be proportionate to their share of the paid-up equity share capital of the Company as on the cut-off date, i.e. September 19, 2018. E-voting rights cannot be exercised by a proxy, though corporate and institutional shareholders shall be entitled to vote through their authorized representatives with proof of their authorization.

11. The Annual Report 2017-18, the Notice of the 31st AGM, and instructions for e-voting, along with the attendance slip and proxy form, are being sent by electronic mode to members whose email addresses are registered with the Company / depository participant(s), unless a member has requested for a physical copy of the documents. For members who have not registered their email addresses, physical copies are being sent by the permitted mode.

12. Members may also note that the Notice of the 31st AGM and the Annual Report 2017-18 will be available on the Company's website at www.khil.com.

13. Additional information, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 ("LODR"), in respect of the directors seeking appointment / reappointment at the AGM, forms part of the Notice.

14. The SEBI has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant(s). Members holding shares in physical form are required to submit their PAN details to the Registrar and Share Transfer Agents.

15. All documents referred to in the Notice will be available for inspection at the Company's registered office during normal business hours on working days upto the date of the AGM.

- The attendance registration procedure for the AGM is as follows:

  a. Shareholders are requested to tender their attendance slips at the registration counters at the venue of the AGM and seek registration before entering the meeting hall.

  b. The shareholder needs to furnish the printed attendance slip along with a valid identity proof such as the PAN card, passport, AADHAAR card or driving license to enter the AGM hall.

16. Instructions for e-voting

In compliance with Regulation 44, of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Section 108 and other applicable provisions of The Companies Act, 2013, read with the related Rules, the Company is pleased to provide e-voting facility to all its members, to enable them to cast their votes electronically. The Company has engaged the services of NSDL for the purpose of providing e-voting facility to all its Members.

The instructions for e-voting are as follows:

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

Step 2: Cast your vote electronically on NSDL's e-voting system.

Step 1: How to Log-in to NSDL e-voting website?

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

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

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

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

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company. For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

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

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

c) How to retrieve your 'initial password'?

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

ii. If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

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

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

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

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

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

How to cast your vote electronically on NSDL e-voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-voting. Click on e-voting. Then, click on Active Voting Cycles.

2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

3. Select "EVEN" of the Company

4. Now you are ready for e-voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. Please remember that you are not allowed to modify your vote once you confirm your vote on a resolution.

- General guidelines for shareholders

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

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

  In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for shareholders and the e-voting user manual for shareholders available in the download section of www.evoting.nsdl.com, or call on the toll-free no. 1800-222-990 or contact National Securities Depository Ltd., Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, at the designated email address: evoting@nsdl.co.in or at telephone no. +91 22 2499 4545 who will also address grievances connected with voting by electronic means.

  The e-voting period commences on Friday, September 21, 2018 (9:00 a.m. IST) and ends on Tuesday, September 25, 2018 (5:00 p.m. IST). During this period, members of the Company holding shares either in physical or dematerialized form, as on the relevant date i.e. September 19, 2018, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. A member will not be allowed to vote again on any resolution on which a vote has already been cast. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice convening the AGM and up to the cut-off date i.e. August 24, 2018, may obtain his login ID and password by sending a request at evoting@nsdl.co.in.

  The voting rights of members shall be proportionate to their share of the paid-up equity share capital of the Company as on the relevant date i.e. August 24, 2018.

  The Scrutinizer shall, immediately after the conclusion of voting through Ballot, count the votes cast, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 48 hours of conclusion of voting through Ballot, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or any person authorised by him, who shall countersign the same. The Scrutinizer's decision on the validity of a Ballot Form will be final and binding.

The results declared along with the Scrutinizer's Report shall be displayed at the Registered Office of the Company, placed on the Company's website www.khil.com and on the website of NSDL, www.evoting.nsdl.com immediately after the result is declared. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using *"Forgot User Details/Password?" or "Physical User Reset Password?"* option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

i. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

ii. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

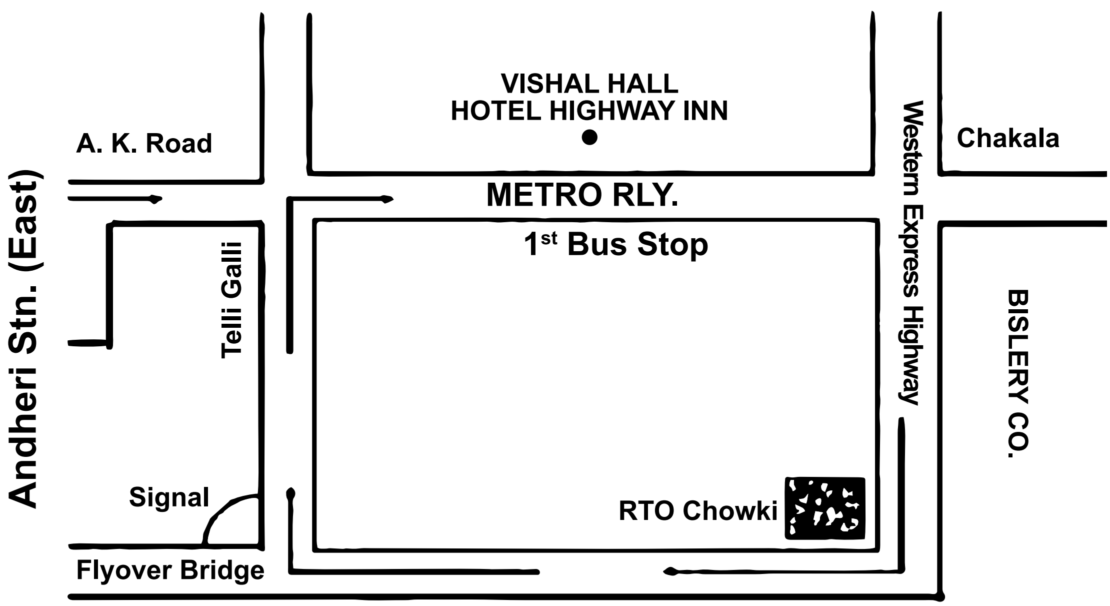
iii. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the Annual General Meeting.

iv. The scrutinizer shall within 48 hours of the conclusion of AGM, submit a consolidated Scrutinizer's report of the votes cast in favour or against, to the Chairman of the AGM ["Chairman"]or any Director or any person authorized by the Chairman for this purpose who shall counter sign the same.

v. The results declared along with the Scrutinizer's Report shall be placed on the website of the Company (www.khil.com) and on the website of the NSDL and communicated to the Stock Exchanges.

17. The Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013 is annexed hereto.

Route map of the venue:



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

Place: Mumbai
Date: 29th June, 2018

Amit Vyas
Company Secretary

ANNEXURE TO THE NOTICE

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

ITEM NO. 3:

Mr. Dinkar D. Jadhav (DIN: 01809881) was appointed as an Independent Director of the Company and he held office as an Independent Director of the Company upto March 31, 2018 ("first term").

The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation, has recommended re-appointment of Mr. Dinkar D. Jadhav as an Independent Director for a second term of 5 (five) consecutive years on the Board of the Company with effect from 1st April, 2018.

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

Mr. Dinkar D. Jadhav is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has also received declaration from Mr. Dinkar D. Jadhav that he meets the criteria of independence as prescribed both under Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). Since Mr, Dinkar D. Jadhav age is of 74 years and will complete 75 years of age during the course of his second term of appointment as Independent Director. In line with the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the appointment or continuation of directorship of Non-Executive Directors must be approved by the Members by way of a Special Resolution.

In the opinion of the Board, Mr. Dinkar D. Jadhav fulfils the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations. Mr. Dinkar D. Jadhav is independent of the management.

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

Copy of draft letter of appointment of Mr. Dinkar D. Jadhav setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company. Mr. Dinkar D. Jadhav is interested in the resolution set out at Item No. 3 of the Notice with regard to his reappointment. Relatives of Mr. Dinkar D. Jadhav may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

This statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations.

The Board recommends the Special Resolution set out at Item No. 3 of the Notice for approval by the members.

ITEM NO. 4:

Ms. Himali H. Mehta (DIN: 07037244) was appointed as an Independent Director of the Company and she holds office as an Independent Director of the Company upto March 31, 2019 ("first term").

The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation, has recommended re-appointment of Ms. Himali H. Mehta as an Independent Director for a second term of 5 (five) consecutive years on the Board of the Company.

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

Ms. Himali H. Mehta is not disqualified from being appointed as a Director in terms of Section 164 of the Act and had given her consent to act as a Director. The Company has also received declaration from Ms. Himali H. Mehta that she meets the criteria of independence as prescribed both under Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Board, Ms. Himali H. Mehta fulfils the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations. Ms. Himali H. Mehta is independent of the management.

Details of Ms. Himali H. Mehta, are provided in the "Annexure" to the Notice. She shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof within the limits stipulated under Section 197 of the Act.

Copy of draft letter of appointment of Ms. Himali H. Mehta setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company. Ms. Himali H. Mehta is interested in the resolution set out at Item No. 4 of the Notice with regard to her reappointment. Relatives of Ms. Himali H. Mehta may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

This statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations.

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

ITEM NO. 5

Securities and Exchange Board of India (SEBI) has vide its Notification No. SEBI/LAD-NRO/GN/2018/10 dated May 09, 2018 issued the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 ("the Amendment Regulations") which brought amendments in the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("the Listing Regulations") to be effective from 1st April, 2019, save as otherwise specifically provided for in the Amendment Regulations. Regulation 17(1A) of the Listing Regulations, which has been inserted by the Amendment Regulations, requires the listed entities to obtain approval of shareholders by way of Special Resolution to appoint or continue the directorship of Non-Executive Directors who have attained the age of 75 years. Regulation 17(1A) is going to be effective from 1st April, 2019. Accordingly, for continuation of directorship of Mr. Bipinchandra C. Kamdar, who will be above the age of 75 years as on 1st April, 2019, a special Resolution, has been proposed.

Details of Mr. Bipinchandra C. Kamdar, are provided in the "Annexure" to the Notice.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval of the Members.

None of the Directors and Key Managerial Personnel (KMP) of the Company and their relatives is in any way, concerned or interested in this item of business.

ITEM NO. 6:

As per the provisions of Section 186 of the Companies Act, 2013 ("the Act"), it would be necessary to obtain the approval of the members for making loans to any person or other bodies corporate; giving guarantee or provide security in connection with a loan to any other bodies corporate or person; and acquiring by way of subscription, purchase or otherwise, the securities of any other body corporate, in excess of the limits of 60% of the paid-up share capital and free reserves and securities premium account; or 100% of the free reserves and securities premium account; whichever is higher.

In order to support the business activity, the Company from time to time has been investing/making loans/providing guarantees/security. In order to enable the Company to invest/make loans/provide guarantees/security, over and above the aforementioned statutory limits approval of the members is required. Hence, the approval of the members is sought to make loan/invest/provide guarantees/security to subsidiary(ies)/joint venture(s)/associate company(ies)/person/other body corporate(s), upto an amount not exceeding ₹ 1,000 (Rupees One Thousand Crores only) over and above the paid up capital of the Company and free reserve.

The Directors recommend the passing of the resolution set out at item No. 6 of the accompanying notice as a Special Resolution.

None of the Directors and Key Managerial Personnel (KMP) of the Company and their relatives is in any way, concerned or interested in this item of business except to the extent of any loan, investment, guarantee or security which may be made or provided by the company to any body(ies) corporate in which any director or KMP of the company and their relatives is or will be interested.

ITEM NO. 7:

As per Section 180(1)(a) of the Companies Act, 2013, the Board of Directors of the Company shall exercise the power to sell, lease or otherwise dispose of the whole or substantially the whole of the Undertaking of the Company or where the Company owns more than one Undertaking, the whole or substantially the whole of any of such undertakings only with the consent of the Company by way of a Special Resolution.

The Company is making its efforts for restructuring of its debts in order to continue the turnaround/ improve/ enhance the financial stability of the Company, it may require to create charges/mortgages/ hypothecation on movable or immovable properties of the Company so as to facilitate the smooth turnaround.

Therefore, resolution mentioned at Item No. 7 of the accompanying Notice as a Special Resolution is proposed for your approval. The said Resolution is an enabling resolution and is in supersession to the special resolution passed under Section 293(1)(a) of the Companies Act, 1956 by the Company on 17th April, 2012.

The Directors recommend the passing of the resolution set out at Item No. 7 of the accompanying notice as a Special Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives is in any way, concerned or interested in this item of business.

ITEM NO. 8.

The Company had obtained a Rupee Loan of ₹ 9,00,00,000/- (Rupees Nine Crores Only) from Edelweiss Assets Reconstruction Company Limited and as a security for securing the loan, the Company had requested Dr. Vithal V. Kamat to pledge his holding in the Company, accordingly Dr. Vithal V. Kamat had pledged his 21,86,640 shares in favour Edelweiss Assets Reconstruction Company Limited.

Dr. Vithal V. Kamat being Chairman and Managing Director of the Company is a related party as defined under provision of section 2(76) of the Companies Act, 2013 and the pledge of shares by the related party is in the nature of transfer of resource and hence a related party transaction. As per the provisions of regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all material related party transactions shall require approval of shareholders through a resolution. Since this transaction being a material transaction as defined under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the consent of the members is requested under regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board therefore recommends the passing of the resolution as set out in the accompanying notice as a special resolution.

None of the Directors, the Key Managerial Personnel (as defined under the Companies Act, 2013 and rules formed thereunder) of the Company and their respective relatives (as defined under the Companies Act, 2013 and rules formed thereunder) have any interest in the passing of the said resolution except to the extent of equity shares held by them in the Company.

ITEM NO. 9.

Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 notified on June 7, 2018 prescribes that no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect. Mr. S. S. Thakur (DIN 00001466) who was appointed as an Independent Director of the Company for a period of 5 years on 24th September, 2016 by way of Ordinary resolution have attained the age of 88 years.

In view of the said provision of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Nomination and Remuneration Committee discussed the matter and recommended the continuation of Directorship of the above Independent Director for the remaining period of his term. Mr. S. S. Thakur is an M.Com, CAIIB. Mr. Thakur has a wide experience of central banking functions, especially in the management of foreign exchange rate and external debt, regulation and foreign technical collaboration, foreign equity investment and exchange market development. He has held several strategic positions and has served as Controller of Foreign Exchange for Reserve Bank of India, Senior Adviser of United Nations Development Programme, Chairman of HDFC Bank, Director on the Governing Board of BSE Limited and Chairman of the Central Depository Services India Limited.

The Board based on the recommendation of Nomination and Remuneration Committee and considering benefits of the expertise of the aforesaid independent Director, has recommended the resolution for approval of shareholders by way of special resolution.

Except the above Director, none of the other Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution.

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

Place: Mumbai **Amit Vyas**
Date: 29th June, 2018 **Company Secretary**

Annexure to the Notice dated 29th June, 2018

As required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards 2 on General Meetings, a brief profile and other related details of the Directors seeking appointment/re-appointment are as follows:

1. Name: Mr. Bipinchandra C. Kamdar (DIN: 01972386) Age- 89 years

   Mr. Bipinchandra C. Kamdar is a Science Graduate and have experience of more than 31 years in hotel industry.

   He was associated with the Company for more than 31 years and has been involved in day to day activity of Company since then.

   Remuneration last drawn (including sitting fees, if any): ₹ 1,90,000 (fees for attending Board and Committee Meetings).

   Date of first appointment on the Board: 6th August, 2016

   Shareholding in the Company as on March 31, 2018: NIL

   Relationship with other Directors / Key Managerial Personnel: Not related to any Director / Key Managerial Personne

   Number of meetings of the Board attended during the financial year (2017-18): 5

   Directorships of other Boards as on March 31, 2018: one

   Membership / Chairmanship of Committees of other Boards as on March 31, 2018: one

2. Name: Mr. Dinkar D. Jadhav (DIN:01809881)

   Age: 74 years

   Qualifications: B.Sc. with Physics and Mathematics and has done diploma in Business Management.

   Experience (including expertise in specific functional area) / Brief Resume: Vast experience of working with Shipping Master Port of Calcutta, Semens Employment Office as Dy. Director, Ward Officer of Bombay Municipal Corporation, Municipal Corporation of Greater Bombay as Dy. Municipal Commissioner. He is presently working as Chairman, Senior Level Grievances Redressal Committee, MMRDA and as Chief Project Advisor in NGO called SEWA.

   Terms and Conditions of Re-appointment: As per the resolution at item no. 3 of the Notice convening this Meeting read with explanatory statement thereto, Mr. Dinkar D. Jadhav is proposed to be re-appointed as an Independent Director

   Remuneration last drawn (including sitting fees, if any): ₹ 1,90,000 (fees for attending Board and Committee Meetings).

   Date of first appointment on the Board: 21st September, 2013

   Shareholding in the Company as on March 31, 2018: NIL

Relationship with other Directors / Key Managerial Personnel: Not related to any Director / Key Managerial Personnel

Number of meetings of the Board attended during the financial year (2017-18): 5

Directorships of other Boards as on March 31, 2018: One

Membership / Chairmanship of Committees of other Boards as on March 31, 2018: One

3. Name: Ms. Himali H. Mehta (DIN:07037244)

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.

Age: 52 years

Qualifications: M.E. Environmental Engineer and B. E. Civil Engineer

Experience (including expertise in specific functional area) / Brief Resume: Vast expertise in environment and management field.

Terms and Conditions of Re-appointment: As per the resolution at item no. 4 of the Notice convening this Meeting read with explanatory statement thereto, Ms. Himali H. Mehta is proposed to be re-appointed as an Independent Director

Remuneration last drawn (including sitting fees, if any): ₹ 1,55,000 (fees for attending Board and Committee Meetings)

Date of first appointment on the Board: 20th December, 2014

Shareholding in the Company as on March 31, 2018: NIL

Relationship with other Directors / Key Managerial Personnel: Not related to any Director / Key Managerial Personnel

Number of meetings of the Board attended during the financial year (2017-18): 4

Directorships of other Boards as on March 31, 2018: None

Membership / Chairmanship of Committees of other Boards as on March 31, 2018: None

4. Name: Mr. S. S. Thakur (DIN: 00001466)

Mr. S. S. Thakur is an M.Com, CAIIB. Mr. Thakur has a wide experience of central banking functions, especially in the management of foreign exchange rate and external debt, regulation and foreign technical collaboration, foreign equity investment and exchange market development. He has held several strategic positions and has served as Controller of Foreign Exchange for Reserve Bank of India, Senior Adviser of United Nations Development Programme, Chairman of HDFC Bank, Director on the Governing Board of BSE Limited and Chairman of the Central Depository Services India Limited.

Age: 88 years

Qualifications: M.Com, CAIIB

Experience (including expertise in specific functional area) / Brief Resume: Vast expertise in banking functions

Terms and Conditions of Re-appointment: As per the resolution at item no. 9 of the Notice convening this Meeting read with explanatory statement thereto, Mr. S. S. Thakur is proposed to be re-appointed as an Independent Director

Remuneration last drawn (including sitting fees, if any): ₹ 1,80,000 (fees for attending Board Committee Meetings)

Date of first appointment on the Board: 24th September, 2016

Shareholding in the Company as on March 31, 2018: NIL

Relationship with other Directors / Key Managerial Personnel: Not related to any Director / Key Managerial Personnel

Number of meetings of the Board attended during the financial year (2017-18): 5

Directorships of other Boards as on March 31, 2018: 3

Membership / Chairmanship of Committees of other Boards as on March 31, 2018: 3

BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the 31st Annual Report together with the Audited Financial Statements (Standalone and Consolidated) of the Company for the financial year ended 31st March, 2018.

FINANCIAL SUMMARY:

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

(Rupees in lakhs)

	Standalone	
Particulars	**Year ended March 31, 2018**	**Year ended March 31, 2017**
Total Income	17,528.61	16,462.42
Profit Before Interest, Depreciation & Taxation	6,010.63	6,036.76
Less: Interest and Finance Charges (net)	1,479.94	2,768.37
Less: Depreciation and Amortisation	1,174.13	1,255.46
Profit Before Exceptional Item and Tax	3,356.56	2,012.93
Add/(Less): Exceptional Item	1,751.90	1,830.01
Profit Before Tax	5,108.46	3,842.94
Less: Current tax (including for earlier years)	8.98	11.20
Deferred Tax charge / (credit)	1,310.45	13.79
Profit After Tax but before Adjustments	3,789.03	3,817.95
Other Comprehensive Income	(3.90)	14.16
Total Comprehensive Income	3,785.13	3,832.11
Basic & diluted earnings per share (in ₹)	16.07	16.19

PERFORMANCE REVIEW:

The average occupancy level of The Orchid, Mumbai, was around 80%. The average occupancy level of VITS Mumbai was around 74%. The Average Room Rate, during the year under review, was at ₹ 5,869/- at The Orchid, Mumbai as compared to ₹ 5,883/- in the previous year and at ₹ 4,325/- at VITS, Mumbai as compared to ₹ 4,102/- in the previous year.

FIRST-TIME ADOPTION OF IND AS

The financial statements for the year ended 31st March, 2018, are the first financial statements of the Company has prepared in accordance with Ind AS. For periods upto and including the year ended 31st March, 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP" or "previous GAAP").

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31st March, 2018, together with the comparative period data as at and for the year ended 31st March, 2017. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1st April, 2016, the Company's date of transition to Ind AS.

STANDALONE :

The total revenue from operations of the Company for the year was recorded at ₹ 16,852.23 Lakhs (of which the turnover of ₹ 10,016.66 lakhs pertains to The Orchid, Mumbai, ₹ 3,361.10 lakhs pertains to VITS, Mumbai and ₹ 3,474.47 lakhs pertains to other units) as against ₹15,466.91 lakhs in the previous year, a increase of around 8.96% over the last year. The Company's profit after tax is ₹ 3,789.03 lakhs as compared to ₹ 3,817.95 lakhs of previous year.

MANAGEMENT / FRANCHISEE CONTRACTS / OTHERS:

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

During the year under review, the Hon'ble Supreme Court of India had dismissed the Special Leave Petition filed by Royal Orchid Hotels Limited and also refused to leave appeal for using of the word "Orchid" and recognized that the Company is prior used of the word "Orchid".

DIVIDEND:

With view to conserve resources of the Company for future operations, the Directors have not recommended any dividend for the Financial Year ended 31st March, 2018.

TRANSFER TO RESERVES :

The Company has not transferred any amount to the General Reserve for the financial year ended 31st March 2018.

SHARE CAPITAL:

During the year under review, there was no change in the Authorised or Paid up Share Capital of the Company. As on 31st March, 2018 the Authorised Share Capital of the Company was ₹ 3425.00 lakhs divided into 3,42,50,000 equity shares of ₹ 10/- each whereas the issued, subscribed and paid up capital stood at ₹ 2358.40 lakhs divided into 2,35,84,058 equity shares of ₹ 10/- each.

MATERIAL CHANGES AND COMMITMENTS:

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

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

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

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

The Audited Financial Statements of the Subsidiaries/ Associates/Joint Ventures are also available on the website of the Company. In view of this, the Balance Sheet, Statement of Profit and Loss and other related documents of the Subsidiaries/ Associates/ Joint Ventures are not attached in this Annual Report. However, the statement containing the salient features which is required to be given in Form AOC -1 are provided in page no. 163 to the Consolidated Financial Statement of the Company, hence not repeated for the sake of brevity. As on 31st March, 2018 the Company had the following Subsidiaries / Joint ventures / Associate Company:

SUBSIDIARY COMPANIES:

1. Orchid Hotels Pune Private Limited (OHPPL)
2. Mahodadhi Palace Private Limited (MPPL) (Formerly known as Fort Mahodadhinivas Palace Private Limited)
3. Kamats Restaurants (India) Private Limited (KRIPL)
4. Fort Jadhavgadh Hotels Private Limited (FJHPL)
5. Orchid Hotels Eastern (I) Private Limited (Formerly known as Green Dot Restaurants Private Limited)

JOINT VENTURE COMPANY / ASSOCIATE COMPANY:

Ilex Developers & Resorts Limited (IDRL)

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

SECRETARIAL STANDARDS:

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

DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL APPOINTED OR RESIGNED DURING THE YEAR:

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Bipinchandra C. Kamdar (DIN 01972386), Director of the Company, retire by rotation, at the ensuing Annual General Meeting. By the Notification dated 9th May, 2018, Securities and Exchange Board of India ("SEBI") amended the Listing Regulations, 2015 by incorporating Regulation 17(1A) in the Listing Regulations, 2015 to be effective from 1st April, 2019. According to the said Regulation, no listed company shall appoint or continue the directorship of a person who has attained age of 75 years unless special resolution is passed to that effect. Mr. Bipinchandra C. Kamdar is 89 years as on date and therefore, a special resolution is proposed in ensuing Annual General Meeting for continuation of holding office of Non- Executive Director of the Company, by Mr. Bipinchandra C. Kamdar, who will be above the age of 75 years as on 1st April, 2019 to comply with the above amendment.

Similarly, Mr. S. S. Thakur have also attained the age of more than 75 years. Therefore, it is proposed to pass special resolutions at the ensuing AGM of the Company. Necessary resolutions for re-appointment/continuation of Directorship past the age of 75 years, of aforesaid Directors have been included in the notice of the ensuing AGM and requisite details have been provided in the explanatory statement of the notice. The Board recommends their re-appointment/ continuation as Directors of the Company.

The term of office of Mr. Dinkar D. Jadhav (DIN 01809881) expired on 31st March, 2018 and the term of office of Ms. Himali H. Mehta (DIN 07037244) will expire on 31st March, 2019, as Independent Directors. The Board of Directors, on recommendation of the Nomination and Remuneration Committee has recommended re-appointment of Mr. Dinkar D. Jadhav and Ms. Himali H. Mehta, as Independent Directors of the Company for a second term of 5 (five) consecutive years on the expiry of their current term of office.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence prescribed under the Act and the Listing Regulations.

During the year Mrs. Smita Nanda was appointed as Chief Financial Officer of the Company w.e.f. 26th May, 2017 and apart from this there is no change in the position of other KMPs/ Directors of the Company.

FAMILIARISATION PROGRAMMES FOR INDEPENDENT DIRECTORS:

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

EXTRACT OF ANNUAL RETURN:

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

NUMBER OF MEETINGS OF THE BOARD:

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

DIRECTORS' RESPONSIBILITY STATEMENT:

Your Directors state that:

1. in the preparation of the annual accounts for the year ended 31st March 2018, the applicable accounting standards read with requirements set out under Schedule III to the Act have been followed and that there are no material departures from the same;
2. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2018 and of the profit of the Company for the financial year ended on that date;
3. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the annual accounts have been prepared on a going concern basis;
5. the Directors have laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and are operating effectively; and
6. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

NOMINATION AND REMUNERATION POLICY:

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

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

(₹ In lakhs)

Particulars	Opening Balance	Movement during the year	Closing Balance
Loans given	20,345.14	(280.00)	20,065.14
Guarantee Given / Security Provided	21,786.94	-	21,786.94
Investment Made	112.31	(92.26)	20.05

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTY:

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

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

There was no materially significant transaction with related parties during the Financial Year 2017-18 and none of the transactions with any of related parties were in conflict with the Company's interest. Particulars of contracts/ arrangements with related parties as referred to in sub-section (1) of section 188 of the Companies Act, 2013 and LODR are given in Form AOC 2 and the same is annexed as "**Annexure C**" hereto and forms a part of this report.

Suitable disclosure as required under AS-18/Ind-AS-24 has been made in Notes to the Financial Statements.

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

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

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

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

MEETING OF INDEPENDENT DIRECTORS :

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

The meeting of Independent Directors for the Financial Year under review was held on 26th May, 2017.

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

VIGIL MECHANISM :

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

The detail of Vigil Mechanism is put on the Company's website and can be accessed at www.khil.com and its weblink is http://www.khil.com/investors/policies.html

AUDIT COMMITTEE :

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

RISK MANAGEMENT :

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

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

DISCLOSURE OF PECUNIARY RELATIONSHIP :

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

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

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

EMPLOYEE STOCK OPTION SCHEME:

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

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

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

DEPOSITS :

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

SECRETARIAL AUDITOR :

In terms of the provision of the Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed M/s. V. V. Chakradeo & Co., Practising Company Secretaries, to conduct the Secretarial Audit for the financial year ended 31st March, 2018.

The Secretarial Audit Report for the Financial Year ended 31st March 2018 issued by M/s. V. V.Chakradeo & Co., Practising Company Secretaries is annexed herewith marked as "***Annexure D"*** to this Annual Report.

DETAILS AS PER SECTION 197(12) READ WITH RULE 5 OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AND FORMING PART OF THE BOARD'S REPORT FOR THE YEAR ENDED 31ST MARCH 2018 :

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

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

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

Conservation of Energy:

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

(ii) the steps taken by the company for utilising alternate sources of energy;

(iii) the capital investment on energy conservation equipments;

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

a) Technology Absorption:

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

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

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

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

(b) the year of import; N.A.

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

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

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

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

b) Foreign exchange earnings and outgo:

Earnings: ₹ 2,012.80 Lakhs (Previous Year ₹ 1,949.08 Lakhs)

Utilization (including import of capital goods): ₹ 180.34 Lakhs (Previous Year ₹ 269.93 Lakhs)

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

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

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

Your Directors have devised a framework for Internal Financial Controls as per the requirements of Section 134(5)(e) of the Companies Act, 2013 and incorporates measures that ensure adequate and continuing operating effectiveness of internal financial controls.

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

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

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

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

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

CORPORATE SOCIAL RESPONSIBILITY :

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

The details of CSR Expenditure are given in the prescribed format and forms part of this Report as the same is annexed as **"Annexure F".** The company continues to actively support deserving social causes for improvement and upliftment of various sections of the society as has been its practice for past several years.

However, the provisions of Section 135(1) and 135(5) of the companies Act, 2013 regarding spending of at least 2% of average net profit are not applicable to the Company since its average net profit is negative. The Company is however, been actively and constantly undertaking several initiatives voluntarily towards its social responsibility and endeavours the field of environment and the upliftment of the society.

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

MANAGEMENT DISCUSSION AND ANALYSIS :

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

CORPORATE GOVERNANCE :

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

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

The Company has constituted Internal Complaints Committee at all the units of the Company under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review, no instance of Sexual Harassment of Women under the said Act has been reported in any of the units of the Company.

STATUTORY AUDITORS :

M/s. N. A. Shah Associates LLP, Chartered Accountants, Mumbai were appointed as Statutory Auditors of your Company at the Annual General Meeting held on 22nd September, 2017 for a term of five consecutive years. As per the provisions of Section 139 of the Companies Act, 2013, the appointment of Auditors is require d to be ratified by Members at every Annual General Meeting. In accordance with the Companies (Amendment) Act, 2017, enforced on 7th May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

EXPLANATION ON QUALIFICATION MADE BY STATUTORY AUDITORS / SECRETARIAL AUDITOR:

With regard to qualification as mentioned in Consolidated Independent Statutory Auditors' Report 4(a) and (b) of Auditor's report, the Board states that in respect of bank guarantee invoked by the bank in earlier years, Company had applied for waiver of interest liability amounting to ₹ 134 Lakhs (including for the year ended 31st March, 2018 of ₹ 25.59 Lakhs) payable on the total amount of bank guarantee by the bank and therefore, the same is not accounted in the books of account.

Further, during the current year, the lender i.e. Asset Reconstruction Company India Limited (ARCIL) has initiated the process of recovery of its dues by inviting expression of interest for selling the Company. The offers received are under consideration and negotiations are at advanced stage. In the opinion of management, based on offers received, the expected one-time settlement value would be lower than 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.

EMPLOYEE RELATIONS :

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

ACKNOWLEDGEMENTS :

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

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

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

Place: Mumbai
Date: 29th June, 2018

ANNEXURE "A" TO THE BOARD'S REPORT

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

for the financial year ended on 31st March, 2018

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

I. REGISTRATION AND OTHER DETAILS:

i) CIN:- L55101MH1986PLC039307

ii) Registration Date :- 21/03/1986

iii) Name of the Company :- Kamat Hotels (India) Limited

iv) Category / Sub-Category of the Company :- Company Limited by Shares

v) Address of the Registered office and contact details :- 70 – C, Nehru Road, Near Santacruz Airport, Vile Parle (East), Mumbai - 400099

vi) Whether listed company :- Yes

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Hotels and Restaurants	99633102	96.14%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

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

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

i) **Category-wise Share Holding**

Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2017				Shareholding at the end of the year - 2018				*% Change during the year*
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Any Other (Specify)									
	Persons Acting In Concert	33,68,238	0	33,68,238	14.28	33,68,238	0	33,68,238	14.28	0.00
	Bodies Corporate	1,09,93,722	0	1,09,93,722	46.61	1,09,93,722	0	1,09,93,722	46.61	0.00
	Sub Total (A)(1)	1,43,61,960	0	1,43,61,960	60.90	1,43,61,960	0	1,43,61,960	60.90	0.00
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Government	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (Specify)									
	Sub Total (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	1,43,61,960	0	1,43,61,960	60.90	1,43,61,960	0	1,43,61,960	60.90	0.00
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	0	1,000	1,000	0.00	0	1,000	1,000	0.00	0.00
(b)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Alternate Investment Funds	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Foreign Portfolio Investor	2,57,431	0	2,57,431	1.10	87,078	0	87,078	0.37	-0.73
(f)	Financial Institutions / Banks	0	0	0	0.00	59,433	0	59,433	0.25	0.25
(g)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Provident Funds/ Pension Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Any Other (Specify)									
	Sub Total (B)(1)	2,57,431	1,000	2,58,431	1.10	1,46,511	1,000	1,47,511	0.63	-0.47

[2]	Central Government/ State Government(s)/ President of India									
	Sub Total (B)(2)	0	0	0	0.00	0	0	0	0.00	'0.00
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh.	18,46,521	2,29,212	20,75,733	8.80	36,57,803	2,23,912	38,81,715	16.46	7.66
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	9,25,653	0	9,25,653	3.92	20,29,424	0	20,29,424	8.61	4.69
(b)	NBFCs registered with RBI	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Employee Trusts	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (Specify)									
	Hindu Undivided Family	1,37,683	0	1,37,683	0.58	4,09,758	0	4,09,758	1.74	1.16
	Foreign Companies	48,94,884	1,100	48,95,984	20.76	0	1,100	1,100	0.00	-20.76
	Non Resident Indians (Non Repat)	7,257	75,000	82,257	0.35	36,613	74,800	1,11,413	0.47	0.12
	Non Resident Indians (Repat)	63,472	0	63,472	0.27	1,29,752	0	1,29,752	0.55	0.28
	Clearing Member	3,10,505	0	3,10,505	1.32	4,54,516	0	4,54,516	1.93	0.61
	Bodies Corporate	4,59,280	13,100	4,72,380	2.00	20,43,809	13,100	20,56,909	8.72	6.72
	Sub Total (B)(3)	86,45,255	3,18,412	89,63,667	38.00	87,61,675	3,12,912	90,74,587	38.48	0.48
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	89,02,686	3,19,412	92,22,098	39.10	89,08,186	3,13,912	92,22,098	39.10	0.00
	Total (A)+(B)	2,32,64,646	3,19,412	2,35,84,058	100.00	2,32,70,146	313,912	2,35,84,058	100.00	0.00
(C)	Non Promoter - Non Public									
[1]	Custodian/DR Holder	0	0	0	0.00	0	0	0	0.00	0.00
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.00	0	0	0	0.00	0.00
	Total (A)+(B)+(C)	2,32,64,646	3,19,412	2,35,84,058	100.00	2,32,70,146	3,13,912	2,35,84,058	100.00	

ii). Shareholding of Promoters

Sr No	Shareholder's Name	Shareholding at the beginning of the year - 2017			Shareholding at the end of the year - 2018			
		No. of Shares Held	% of total Shares of the company	%of Shares Pledged /encumbered to total shares	No. of Shares Held	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	% change in shareholding during the year
1	Plaza Hotels Pvt Ltd	35,35,545	14.99	13.64	35,35,545	14.99	13.64	0.00
2	Vithal V Kamat	31,05,126	13.17	3.90	31,05,126	13.17	13.17	0.00
3	Indira Investments Private Limited	15,63,794	6.63	6.48	15,63,794	6.63	6.48	0.00
4	Kamat Holdings Private Limited	15,00,000	6.36	6.36	15,00,000	6.36	6.36	0.00
5	Nagpur Ecohotel Private Limited	10,00,000	4.24	0.00	10,00,000	4.24	4.24	0.00

Sr No	Shareholder's Name	Shareholding at the beginning of the year - 2017			Shareholding at the end of the year - 2018			
		No. of Shares Held	% of total Shares of the company	%of Shares Pledged /encumbered to total shares	No. of Shares Held	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	% change in shareholding during the year
6	Kamat Development Private Limited	8,39,272	3.56	3.56	8,39,272	3.56	3.56	0.00
7	Sangli Rubber Agro Private Limited	7,57,000	3.21	3.21	7,57,000	3.21	3.21	0.00
8	Vits Hotels (Bhubaneswar) Private Ltd	6,29,629	2.67	0.00	6,29,629	2.67	0.91	0.00
9	Kamats Holiday Resorts (Silvassa) Limited	2,76,439	1.17	1.17	2,76,439	1.17	1.17	0.00
10	Vishal Amusements Limited	2,58,897	1.10	0.97	2,58,897	1.10	0.97	0.00
11	Savarwadi Rubber Agro Private Limited	2,05,128	0.87	0.00	2,05,128	0.87	0.00	0.00
12	Kamats Super Snacks Private Limited	1,82,445	0.77	0.77	1,82,445	0.77	0.77	0.00
13	Vithal V. Kamat (HUF)	1,49,864	0.64	0.59	1,49,864	0.64	0.59	0.00
14	Kamats Eateries Private Limited	1,19,245	0.51	0.49	1,19,245	0.51	0.49	0.00
15	Vidya Vithal Kamat	96,621	0.41	0.12	96,621	0.41	0.12	0.00
16	Karoke Amusements Private Limited	80,877	0.34	0.34	80,877	0.34	0.34	0.00
17	Kamburger Foods Private Limited	40,551	0.17	0.16	40,551	0.17	0.16	0.00
18	Vishal V Kamat	15,627	0.07	0.07	15,627	0.067	0.07	0.00
19	Kamats Club Private Limited	4,900	0.02	0.02	4,900	0.02	0.02	0.00
20	Vidita V Kamat	500	0.00	0.00	500	0.00	0.00	0.00
21	Vikram V Kamat	500	0.00	0.00	500	0.00	0.00	0.00
	Total	1,43,61,960	60.90	56.27	1,43,61,960	60.90	56.27	0.00

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

Sr. No.		Shareholding at the beginning of the year 2017		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	1,43,61,960	60.90	1,43,61,960	60.90
	At the end of the year	1,43,61,960	60.90	1,43,61,960	60.90

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

Sr No.	Name & type of transaction	Shareholding at the beginning of the year – 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		No. of shares held	% of total shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of total shares of the Company
1	KIFS Trade Capital Private Limited	0	0.00			0	0.0000
	Purchase			22 Sep 2017	5,18,767	5,18,767	2.20
	Purchase			29 Sep 2017	17,233	5,36,000	2.27
	Sale			10 Nov 2017	-5,36,000	0	0.00
	Purchase			24 Nov 2017	4,99,587	4,99,587	2.12
	Purchase			15 Dec 2017	27,481	5,27,068	2.23
	Purchase			12 Jan 2018	7,176	5,34,244	2.27

Sr No.	Name & type of transaction	Shareholding at the beginning of the year – 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		No. of shares held	% of total shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of total shares of the Company
	Sale			02 Feb 2018	-6,788	5,27,456	2.24
	Purchase			09 Mar 2018	72,544	6,00,000	2.54
	Sale			31 Mar 2018	-75,000	5,25,000	2.23
	At the end of the year					5,25,000	2.23
2	JM Financial Services Ltd.	16754	0.07			16,754	0.07
	Purchase			07 Apr 2017	757	17,511	0.07
	Purchase			14 Apr 2017	948	18,459	0.08
	Purchase			21 Apr 2017	18,902	37,361	0.16
	Purchase			28 Apr 2017	29,365	66,726	0.28
	Sale			05 May 2017	-48,263	18,463	0.07
	Purchase			12 May 2017	3,714	22,177	0.09
	Purchase			19 May 2017	24,236	46,413	0.20
	Sale			26 May 2017	-26,814	19,599	0.08
	Sale			02 Jun 2017	-6,124	13,475	0.06
	Purchase			09 Jun 2017	21,732	35,207	0.15
	Sale			16 Jun 2017	-1,130	34,077	0.14
	Sale			23 Jun 2017	-31,701	2,376	0.01
	Sale			30 Jun 2017	-498	1,878	0.01
	Sale			07 Jul 2017	-1,678	200	0.00
	Purchase			14 Jul 2017	4,850	5,050	0.02
	Purchase			21 Jul 2017	20,296	25,346	0.11
	Purchase			28 Jul 2017	2,267	27,613	0.12
	Sale			04 Aug 2017	-24,651	2,962	0.01
	Sale			11 Aug 2017	-1.649	1,313	0.01
	Purchase			18 Aug 2017	5.712	7,025	0.03
	Sale			25 Aug 2017	-4,959	2,066	0.01
	Purchase			01 Sep 2017	1,469	3,535	0.01
	Purchase			08 Sep 2017	9,472	13,007	0.06
	Sale			15 Sep 2017	-9,557	3,450	0.01
	Purchase			22 Sep 2017	9,120	12,570	0.05
	Purchase			29 Sep 2017	1.09,202	1,21,772	0.52
	Purchase			06 Oct 2017	93,271	2,15,043	0.91
	Sale			13 Oct 2017	-1,96,456	18,587	0.08
	Sale			20 Oct 2017	-683	17,904	0.08
	Sale			27 Oct 2017	-3,781	14,123	0.06
	Sale			03 Nov 2017	-5,307	8,816	0.04
	Sale			10 Nov 2017	-432	8,384	0.03
	Sale			17 Nov 2017	-1,057	7,327	0.03
	Sale			24 Nov 2017	-1,509	5,818	0.02
	Purchase			01 Dec 2017	956	6,774	0.03
	Sale			08 Dec 2017	-749	6,025	0.02
	Sale			15 Dec 2017	-400	5,625	0.02
	Purchase			22 Dec 2017	350	5,975	0.02
	Sale			29 Dec 2017	-517	5,458	0.02
	Purchase			05 Jan 2018	477	5,935	0.03
	Purchase			12 Jan 2018	432	6,367	0.03
	Purchase			19 Jan 2018	97,697	1,04,064	0.44
	Sale			26 Jan 2018	-5,471	98,593	0.42

Sr No.	Name & type of transaction	Shareholding at the beginning of the year – 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		No. of shares held	% of total shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of total shares of the Company
	Purchase			02 Feb 2018	72,430	1,71,023	0.73
	Sale			09 Feb 2018	-21,940	1,49,083	0.63
	Sale			16 Feb 2018	-498	1,48,585	0.63
	Sale			23 Feb 2018	-200	1,48,385	0.63
	Sale			02 Mar 2018	-18,098	1,30,287	0.55
	Purchase			09 Mar 2018	148	1,30,435	0.55
	Sale			16 Mar 2018	-99,241	31,194	0.13
	Purchase			23 Mar 2018	2,40,309	2,71,503	1.15
	Purchase			31 Mar 2018	320	2,71,823	1.15
	At the end of the year					2,71,823	1.15
3	Edelweiss Custodial Services Limited	0	0.00			0	0.00
	Purchase			07 Jul 2017	90,041	90,041	0.38
	Sale			14 Jul 2017	-9,851	80,190	0.34
	Sale			21 Jul 2017	-8,462	71,728	0.30
	Sale			28 Jul 2017	-264	71,464	0.30
	Purchase			04 Aug 2017	979	72,443	0.31
	Purchase			11 Aug 2017	47	72,490	0.31
	Purchase			18 Aug 2017	5,923	78,413	0.33
	Sale			25 Aug 2017	-7,318	71,095	0.30
	Purchase			01 Sep 2017	928	72,023	0.31
	Purchase			08 Sep 2017	7,107	79,130	0.34
	Purchase			15 Sep 2017	2,049	81,179	0.34
	Purchase			22 Sep 2017	4,148	85,327	0.36
	Sale			29 Sep 2017	-1,775	83,552	0.35
	Purchase			06 Oct 2017	1,419	84,971	0.36
	Purchase			13 Oct 2017	21,931	1,06,902	0.45
	Purchase			20 Oct 2017	41,131	1,48,033	0.63
	Purchase			27 Oct 2017	1,106	1,49,139	0.63
	Sale			03 Nov 2017	-360	1,48,779	0.63
	Purchase			10 Nov 2017	921	1,49,700	0.63
	Purchase			17 Nov 2017	1,139	1,50,839	0.64
	Sale			24 Nov 2017	-53,364	97,475	0.41
	Purchase			01 Dec 2017	8,568	1,06,043	0.45
	Sale			08 Dec 2017	-200	1,05,843	0.45
	Sale			15 Dec 2017	-2,700	1,03,143	0.44
	Sale			22 Dec 2017	-2,271	1,00,872	0.43
	Purchase			29 Dec 2017	3,804	1,04,676	0.44
	Sale			30 Dec 2017	-415	1,04,261	0.44
	Purchase			05 Jan 2018	51	1,04,312	0.44
	Sale			12 Jan 2018	-3,188	1,01,124	0.43
	Purchase			19 Jan 2018	97,074	1,98,198	0.84
	Purchase			26 Jan 2018	1,944	2,00,142	0.85
	Purchase			02 Feb 2018	18,086	2,18,228	0.92
	Purchase			09 Feb 2018	28,624	2,46,852	1.05
	Sale			16 Feb 2018	-28,766	2,18,086	0.92
	Sale			23 Feb 2018	-50,663	1,67,423	0.71

Sr No.	Name & type of transaction	Shareholding at the beginning of the year – 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		No. of shares held	% of total shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of total shares of the Company
	Purchase			02 Mar 2018	5,576	1,72,999	0.73
	Sale			09 Mar 2018	-82,378	90,621	0.38
	Purchase			16 Mar 2018	1.01,299	1,91,920	0.81
	Sale			23 Mar 2018	-2,315	1,89,605	0.80
	Purchase			31 Mar 2018	716	1,90,321	0.81
	At the end of the year					1,90,321	0.81
4	Stock Holding Corporation of India Ltd – A/C NSE Derivatives	0	0.0000			0	0.00
	Purchase			19 May 2017	1,20,000	1,20,000	0.51
	Purchase			25 Aug 2017	10,000	1,30,000	0.55
	Purchase			01 Sep 2017	5,945	1,35,945	0.58
	Purchase			22 Sep 2017	17,500	1,53,445	0.65
	Sale			29 Sep 2017	-12,000	1,41,445	0.60
	Sale			13 Oct 2017	-2,500	1,38,945	0.59
	Sale			03 Nov 2017	-1,600	1,37,345	0.58
	Sale			10 Nov 2017	-400	1,36,945	0.58
	Purchase			17 Nov 2017	25,000	1,61,945	0.69
	Sale			24 Nov 2017	-1,000	1,60,945	0.68
	Purchase			15 Dec 2017	35,000	1,95,945	0.83
	Sale			05 Jan 2018	-60,000	1,35,945	0.58
	Purchase			12 Jan 2018	3,500	1,39,445	0.59
	Purchase			19 Jan 2018	45,000	1,84,445	0.78
	Sale			26 Jan 2018	-30,000	1,54,445	0.65
	Sale			02 Feb 2018	-30,000	1,24,445	0.53
	Purchase			16 Feb 2018	35,000	1,59,445	0.68
	Sale			09 Mar 2018	-10,000	1,49,445	0.63
	Purchase			16 Mar 2018	50,000	1,99,445	0.85
	Sale			23 Mar 2018	-18,500	1,80,945	0.77
	Purchase			31 Mar 2018	3,500	1,84,445	0.78
	At the end of the Year					1,84,445	0.78
5	IL and FS Securities Services Limited	0	0.0000			0	0.00
	Purchase			05 May 2017	1,000	1,000	0.00
	Purchase			12 May 2017	400	1,400	0.00
	Purchase			19 May 2017	4,000	5,400	0.02
	Sale			26 May 2017	-900	4,500	0.02
	Purchase			02 Jun 2017	2,600	7,100	0.03
	Sale			09 Jun 2017	-2,300	4,800	0.02
	Sale			16 Jun 2017	-2,169	2,631	0.01
	Sale			23 Jun 2017	-831	1,800	0.01
	Sale			30 Jun 2017	-1,000	800	0.00
	Sale			07 Jul 2017	-500	300	0.00
	Purchase			14 Jul 2017	12,000	12,300	0.05
	Purchase			21 Jul 2017	7,700	20,000	0.08
	Sale			28 Jul 2017	-5,000	15,000	0.06
	Purchase			11 Aug 2017	30,340	45,340	0.19
	Purchase			18 Aug 2017	53,800	99,140	0.42
	Purchase			25 Aug 2017	10,000	1,09,140	0.46

Sr No.	Name & type of transaction	Shareholding at the beginning of the year – 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		No. of shares held	% of total shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of total shares of the Company
	Sale			01 Sep 2017	-10,200	98,940	0.42
	Sale			08 Sep 2017	-12,940	86,000	0.36
	Purchase			15 Sep 2017	3,084	89,084	0.38
	Purchase			22 Sep 2017	90,316	1,79,400	0.76
	Sale			29 Sep 2017	-29,243	1,50,157	0.64
	Purchase			06 Oct 2017	13,085	1,63,242	0.69
	Sale			13 Oct 2017	-3,270	1,59,972	0.68
	Purchase			20 Oct 2017	10,928	1,70,900	0.72
	Sale			27 Oct 2017	-8,900	1,62,000	0.68
	Purchase			03 Nov 2017	5,401	1,67,401	0.71
	Purchase			10 Nov 2017	5,35,200	7,02,601	2.98
	Purchase			17 Nov 2017	1,850	7,04,451	2.99
	Sale			24 Nov 2017	-5,00,190	2,04,261	0.87
	Sale			01 Dec 2017	-150	2,04,111	0.85
	Sale			08 Dec 2017	-8,573	1,95,538	0.83
	Sale			15 Dec 2017	-26,909	1,68,629	0.71
	Sale			22 Dec 2017	-7,032	1,61,597	0.68
	Purchase			29 Dec 2017	1,979	1,63,576	0.69
	Sale			12 Jan 2018	-149	1,63,427	0.69
	Purchase			19 Jan 2018	15,920	1,79,347	0.76
	Sale			26 Jan 2018	-24,005	1,55,342	0.65
	Purchase			02 Feb 2018	6,468	1,61,810	0.69
	Sale			09 Feb 2018	-2,100	1,59,710	0.68
	Sale			16 Feb 2018	-120	1,59,590	0.68
	Sale			23 Feb 2018	-6,700	1,52,890	0.65
	Sale			09 Mar 2018	-77,671	75,219	0.32
	Purchase			16 Mar 2018	20,596	95,815	0.41
	Purchase			23 Mar 2018	77,250	1,73,065	0.73
	Sale			31 Mar 2018	-6,149	1,66,916	0.71
	At the end of the year					1,66,916	0.71
6	Pawan Aggarwal	236000	1.0007			2,36,000	1.00
	Purchase			12 May 2017	97,769	3,33,769	1.42
	Purchase			09 Jun 2017	4,231	3,38,000	1.43
	Sale			21 Jul 2017	-28,050	3,09,950	1.31
	Sale			28 Jul 2017	-5,950	3,04,000	1.29
	Sale			11 Aug 2017	-2,000	3,02,000	1.28
	Sale			18 Aug 2017	-10,000	2,92,000	1.24
	Sale			25 Aug 2017	-8,484	2,83,516	1.20
	Sale			01 Sep 2017	-26,516	2,57,000	1.09
	Sale			08 Sep 2017	-17,000	2,40,000	1.02
	Sale			15 Sep 2017	-11,400	2,28,600	0.97
	Sale			17 Nov 2017	-500	2,28,100	0.97
	Sale			01 Dec 2017	-4,200	2,23,900	0.95
	Sale			08 Dec 2017	-21,359	2,02,541	0.86
	Sale			15 Dec 2017	-6,216	1,96,325	0.83
	Sale			22 Dec 2017	-19,622	1,76,703	0.75
	Sale			29 Dec 2017	-6,562	1,70,141	0.72

Sr No.	Name & type of transaction	Shareholding at the beginning of the year – 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		No. of shares held	% of total shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of total shares of the Company
	Sale			05 Jan 2018	-7,397	1,62,744	0.69
	Sale			12 Jan 2018	-33,175	1,29,569	0.55
	Sale			19 Jan 2018	-3,600	1,25,969	0.53
	Sale			09 Mar 2018	-8,000	1,17,969	0.50
	At the end of the year					1,17,969	0.50
7	Zaki Abbas Nasser	0	0.0000			0	0.00
	Purchase			28 Apr 2017	60,000	60,000	0.25
	Purchase			05 May 2017	20,000	80,000	0.33
	Purchase			19 May 2017	40,000	1,20,000	0.51
	Purchase			26 May 2017	20,000	1,40,000	0.59
	Purchase			02 Jun 2017	60,000	2,00,000	0.85
	Sale			08 Sep 2017	-20,000	1,80,000	0.76
	Sale			22 Sep 2017	-20,000	1,60,000	0.68
	Sale			29 Sep 2017	-20,000	1,40,000	0.59
	Sale			09 Feb 2018	-30,000	1,10,000	0.47
	At the end of the year					1,10,000	0.47
8	Sachin Kasera	0	0.0000			0	0.00
	Purchase			15 Sep 2017	75,000	75,000	0.32
	Purchase			29 Sep 2017	25,000	1,00,000	0.42
	At the end of the year					1,00,000	0.42
9	Status Capitals Pvt Ltd	84473	0.3582			84,473	0.36
	Purchase			02 Jun 2017	50,000	1,34,473	0.57
	Sale			15 Sep 2017	-25,000	1,09,473	0.46
	Sale			26 Jan 2018	-10,500	98,973	0.42
	At the end of the year					98,973	0.42
10	Mitin C Jain	0	0.0000			0	0.00
	Purchase			07 Apr 2017	3,000	3,000	0.01
	Purchase			14 Apr 2017	44,973	47,973	0.20
	Purchase			21 Apr 2017	25,000	72,973	0.31
	Purchase			28 Apr 2017	17,027	90,000	0.38
	Purchase			05 May 2017	10,000	1,00,000	0.42
	Sale			12 May 2017	-4,000	96,000	0.41
	Sale			14 Jul 2017	-2,500	93,500	0.40
	Purchase			11 Aug 2017	6,000	99,500	0.42
	Purchase			18 Aug 2017	4,000	1,03,500	0.44
	Sale			22 Sep 2017	-9,000	94,500	0.40
	Sale			29 Sep 2017	-6,000	88,500	0.37
	Sale			13 Oct 2017	-500	88,000	0.37
	Sale			20 Oct 2017	-100	87,900	0.37
	Sale			27 Oct 2017	-100	87,800	0.37
	Sale			03 Nov 2017	-1,300	86,500	0.37
	Sale			01 Dec 2017	-1,000	85,500	0.36

V. SHAREHOLDING DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Dr. Vithal V. Kamat (at the beginning of the year)	32,54,990	13.81	32,54,990	13.81
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc	Nil	Nil	Nil	Nil
	Dr. Vithal V. Kamat (at the end of the year)	32,54,990	13.81	32,54,990	13.81

Note : None of the other Directors and Key Managerial Personnel held any shares in the Company during the Financial Year 2017-18.

VI. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ In lakhs)

	Secured Loans	Unsecured Loans	Deposits	Total
Indebtedness at the beginning of the Financial Year				
Principal Amount	42,913.23	2,516.93	-	45,430.16
Interest Due but not paid	4,306.71	-	-	4,306.71
Interest Accrued but not due	-	257.45	-	257.45
Change in Indebtedness during the Financial Year				
Addition (Principal)	-	2,701.53	-	2,701.53
Addition (Interest)	21.53	120.68	-	142.21
Reduction (Principal)	10,130.44	508.39	-	10,638.83
Reduction (Interest)	4,306.71	-	-	4,306.71
Reduction (Interest Accrued not due)	-	257.45	-	257.45
Indebtedness at the end of the Financial Year				
Principal Amount	32,782.79	4,710.07	-	37,492.86
Interest Due but not paid	21.53	120.68	-	142.21
Interest Accrued but not due	-	-	-	-

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount in ₹
		Dr. Vithal V. Kamat (Executive Chairman and Managing Director)	
1.	(a) Gross salary		
	(b) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	96,00,000	96,00,000
	(c) Value of perquisites u/s 17(2) Income-tax Act, 1961	7.075	7.075
	(d) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL
2	Stock Option	NIL	NIL
3	Sweat Equity	NIL	NIL
4	Commission - as % of Profit - other, specify	NIL	NIL
5	Others, please specify	NIL	NIL
	Total (A)	96,07,075	96,07,075
	Ceiling as per the Act*	N.A.	N.A.

* Paid within the Ceiling specified under Section 197 of the Companies Act, 2013.

B. Remuneration to other directors:

Sr No	Particulars of remuneration	Name of Directors				Amount in ₹
		Mr. D. D. Jadhav	Ms. Himali H. Mehta	Mr. S. S. Thakur	Mr. Bipinchandra C. Kamdar	
1	Independent Director - Fees for attending Board Committee Meetings	1,25,000	1,00,000	1,25,000	NIL	3,50,000
	- Commission	NIL	NIL	NIL	NIL	NIL
	- Others, please specify I) Fee for attending Audit Committee Meetings	45,000	45,000	45,000	NIL	1,35,000
	II) Fee for Committee Meetings	10,000	10,000	10,000	NIL	30,000
	III) Fee for stakeholders Relationship Committee Meeting	10,000	0	0	NIL	10,000
	Total (1)	1,90,000	1,55,000	1,80,000	NIL	5,25,000
2	Other Non Executive Directors - Fee for attending Board Committee Meetings				1,90,000	1,90,000
	- Commission	NIL	NIL	NIL	NIL	NIL
	- Others, please specify					
	Total (2)	-	-	-	-	1,90,000
	Total (B)= (1+2)	1,90,000	1,55,000	1,80,000	1,90,000	7,15,000
	Total Managerial Remuneration	NIL	NIL			96,07,075#
	Overall ceiling as per Act	NIL	NIL			

Note : Independent Directors were paid sitting fees for attending the Meeting of the Board during the Financial Year 2017-18, which were within the limits prescribed under the Companies Act, 2013.

excluding sitting fees.

C. Remuneration to Key Managerial Personnel other than Managing Director, Whole-time Directors and/or Manager:

(₹ in lakhs)

Sr. No.	**Particulars of Remuneration**	**Key Managerial Personnel**	
		Chief Financial Officer*	**Company Secretary**
	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	19.53	15.84
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
	Stock Option	-	-
	Sweat Equity	-	-
	Commission - as % of Profit - other, specify	-	-
	Total	19.53	15.84

• Appointed as a Chief Financial Officer (CFO) w.e.f .26th May, 2017.

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

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

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

Place: Mumbai
Date: 29th June, 2018

ANNEXURE "B" TO THE BOARD'S REPORT

NOMINATION AND REMUNERATION POLICY

Introduction:

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

Objective and purpose of the Policy:

The objective and purpose of this policy are:

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

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

Effective Date:

This policy shall be effective from 1st April, 2014.

Constitution of the Nomination and Remuneration Committee:

The Board has changed the nomenclature of Remuneration Committee constituted on 31st January, 2001 by renaming it as Nomination and Remuneration Committee on 8th February, 2014 and modified by the Board of Directors at its meetings held on 22nd March, 2014 and 9th August, 2014. The Nomination and Remuneration Committee comprises of the following Directors:

Sr. No.	Name	Position
1	Mr. D.D.Jadhav	Chairman (Independent Non – Executive Director)
2	Ms. Himali H. Mehta	Member (Independent Non – Executive Director)
3	Mr. Bipinchandra C. Kamdar	Member (Non Executive Director)
4	Mr. S. S. Thakur	Member (Independent Non – Executive Director)

- The Board has the power to reconstitute the Committee consistent with the Company's policy and applicable statutory requirement.
- **Definitions**
- **Board** means Board of Directors of the Company.
- **Directors** means Directors of the Company.
- **Committee** means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- **Company** means Kamat Hotels (India) Limited.
- **Independent Director** means a director referred to in Section 149 (6) of the Companies Act, 2013.
- **Key Managerial Personnel** (KMP) means-

  (i) Executive Chairman and / or Managing Director;

  (ii) Whole-time Director;

  (iii) Chief Financial Officer;

  (iv) Company Secretary;

  (v) Such other officer as may be prescribed under the applicable statutory provisions / regulations.
- "Senior Management" shall mean officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case chief executive officer /manager not part of the board) and shall specifically include company secretary and chief financial officer: Provided that administrative staff shall not be included.

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

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

Applicability

The Policy is applicable to

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

General

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

PART-A

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

The Committee shall:

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

PART – B

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

- **Appointment criteria and qualifications:**

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

- **Term / Tenure:**

  1. Managing Director/Whole-time Director:

  - The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

  2. Independent Director

  - An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
  - No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1st October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.
  - At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

Evaluation:

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

- **Removal:**

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

- **Retirement:**

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

PART – C

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

- **General:**

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

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

1. Fixed pay:

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

2. Minimum Remuneration:

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

3. Provisions for excess remuneration:

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

Remuneration to Non- Executive / Independent Director:

1. Remuneration / Commission:

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

2. Sitting Fees:

   The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed One lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

3. Commission:

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

4. Stock Options:

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

KAMAT HOTELS (INDIA) LIMITED

“ANNEXURE C” TO THE BOARD’S REPORT

FORM NO. AOC- 2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

(Pursuant to clause (h) of sub-section (3)of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. **Details of material contracts or arrangement or transactions at arm’s length basis:**

   There were no material contracts or arrangement or transactions entered in to during the year ended 31st March, 2018, which were not arm’s length basis.

2. **Details of contracts or arrangements or transactions not at arm’s length basis:**

   (a) Name(s) of the related party and nature of relationship: Dr. Vithal V. Kamat

   (b) Nature of contracts/arrangements/transactions : Pledge of shares

   (c) Duration of the contracts/arrangements/transactions: N.A.

   (d) Salient terms of the contracts or arrangements or transactions including the value, if any: NIL

   (e) Justification for entering into such contracts or arrangements or transactions: The Company had availed loan from Financial Institution/ Bank against which Dr. Kamat had pledge its shares held in the Company to Financial Institution/Banks /Bodies Corporate for securing the term loan/Rupee Loan.

   (f) Date(s) of approval by the Board/Executive Committee : 26th March, 2018

   (g) Amount paid as advances, if any: NIL

   (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: This transaction is not covered under Section 188 but same is however covered under Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 under regulation 23(1).

KAMAT HOTELS (INDIA) LIMITED

ANNEXURE "D" TO THE BOARD'S REPORT

FORM NO MR - 3

SECRETARIAL AUDIT REPORT

For the Financial year ended 31st March 2018

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

To,
The Members,
Kamat Hotels (India) Limited.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Kamat Hotels (India) Limited (hereinafter called the Company). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion the company had during the audit period covering the financial year ended on 31st March 2018 complied with the statutory provisions listed hereunder and also that the company has proper board-processes and compliance mechanism in place to the extent in the manner and subject to the reporting made hereinafter :

1. We have examined the books papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2018 according to the provisions of :

   i) The Companies Act, 2013 (Act) and the rules made thereunder;

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

   iii) The Depositories Act 1996 and the regulations and Byelaws framed thereunder;

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

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

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

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

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

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

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

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

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

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

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

      1) The Companies Act, 2013 (the Act) and the rules made thereunder;

      2) Secretarial Standards issued by The Institute of Company Secretaries of India ;

      3) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ;

      4) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;

      5) The Securities and Exchange Board of India Act, 1992

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

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

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

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

10) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client
11) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
12) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder
13) The Indian Stamp Act, 1899

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

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

4. Acts, Rules, Regulation relating to Restaurant Division:
   1) Bombay Police Act, 1951
   2) The Water (Prevention & Control of Pollution) Act, 1974
   3) The Air (Prevention & Control of Pollution) Act, 1981
   4) The Environment (Protection) Act, 1986
   5) Food Safety and Standards Act, 2006

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

Sr. No.	Name of the Acts/rules/regulations	Details of Compliances
1)	Bombay Shops & Establishments Act, 1948	-
2)	The Mumbai Municipal Corporation Act, 1888	• Section 394 for i) Restaurant, ii) Lodging, iii)Gradation • Section 328 for Neon Sign • Section 279 for Water supply • Sections 206 etc for Property Tax • Covering of Terrace in Monsoon for specific period under • Development Control Rules, 1991 • Water Fountain permission • Swimming Pool • Testing of water
3)	Police Licenses	• Place of Public Entertainment License(PPEL) • Bombay Police Act, 1951 • Place of Licensing & Controlling for Amusement, Public • Amusement Act (including Tamasha and Melas excluding Cinemas) 1960
4)	Rangabhumi Prayog Parinirikshak Board, Government of Maharashtra	• For playing music inside the premises Section 138(1) of Place of Amusement and Controlling Act, 1960
5)	Bombay Prohibition Act, 1949	• FL III License, Fl IV License (One day License)
6)	Maharashtra Fire Prevention and Life Safety Measures Act, 2006	-
7)	Food Safety & Standard Authority of India (FSSAI) (Earlier Prevention of Food Adulteration Act, 1954)	-
8)	Standard of Weights and Measures Act, 1976	• Stamping of Peg Measure
9)	Copy Right Acts, 1957	• Indian Performing Right Society(IPRS) for playing Live music of owners of music viz the composers, lyricists, authors and publishers of music Phonographic Performance License(PPL) for Sound Recordings of its ember music labels. Novex Communication for members other than in a) & b) for sound recordings as well as owners • Cable TV • From all existing TV Broadcasters
10)	Cable Television Network (Regulation) Act, 1995	-
11)	Maharashtra Land Revenue Code, 1966	• Payment of Non Agricultural Tax every year .
12)	Bombay Entertainments Duty Act, 1923	• For faithful compliance/deposit for showing TV channels in hotels • For deposit of taxes for any type of entertainment program while serving liquor
13)	Maharashtra Pollution Control Board (MPCB)	• Consent to Operate under Water Act, 1974 & under Air Act, 1981 • Environmental Statement Report under Environment (Protection) Act, 1992
14)	The Water (Prevention & Control of Pollution) Cess Act,1977	Payment of cess quarterly as demanded by MPCB

Sr. No.	Name of the Acts/rules/regulations	Details of Compliances
15)	Bombay Electricity Duty Act, 1958	• Payment of duty quarterly for generation of electricity by DG • Faithful compliances of Electrical Installation prior to • annual inspection by Electrical Inspector from Public Works • Department • Testing of all electrical fittings including lights inside the • swimming pool
16)	The Bombay Lift Act, 1939 with Bombay Lift Rules, 1958	• Faithful compliances of Lifts Installation prior to annual inspection by Electrical Inspector from Public Works Department
17)	The Sexual Harassment of Women at Workplace. (Prevention, Prohibition and Redressal) Act, 2013	-

During the year, the Company had sufficient profit for payment of remuneration to Executive Chairman and Managing Director.

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

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

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

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

We further report that:

Orchid Hotels Pune Private Limited (OHPPL), Wholly Owned Subsidiary of the Company had not made provision for interest liability for the period from 1st October, 2013 to 31st March, 2018.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non -executive Directors and Independent Directors. The changes in composition of the board of directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

FOR V V CHAKRADEO & CO
COMPANY SECRETARIES

Place : Mumbai
Date : 29th June, 2018

V V CHAKRADEO
COP 1705. FCS 3382

To
The Members,
Kamat Hotels (India) Limited

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

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

FOR V V CHAKRADEO & CO
COMPANY SECRETARIES

Place : Mumbai
Date : 29th June, 2018

V V CHAKRADEO
COP 1705. FCS 3382

ANNEXURE "E" TO THE BOARD'S REPORT

DETAILS AS PER SECTION 197(12) READ WITH RULE 5(1) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 FOR THE YEAR ENDED 31ST MARCH 2018.

A) Remuneration to Directors and Key Managerial Personnel

i. The percentage increase in remuneration of Chairman, Managing Director, Chief Financial Officer and Company Secretary during the financial year 2017-18 is as under:

Sr. No.	Name of KMP	Designation	% increase in Remuneration during FY 2018
1	Dr. Vithal V. Kamat	Executive Chairman and Managing Director	N.A.
2	Mrs. Smita Nanda	Chief Financial Officer	N.A.
3	Mr. Amit Vyas	Company Secretary	7.42%

Notes:

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

ii. There were 1,017 permanent employees on the rolls of the Company during FY 2018. The median remuneration of employees of the Company during FY 2018 was ₹ 1,90,800. The median remuneration of employees during FY 2018 has increased by 10% as compared to the previous financial year.

iii. Average percentage increase made in the remuneration of employees other than the managerial personnel in the last financial year i.e. FY 2018 was 11%.

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

ANNEXURE "F" TO THE BOARD'S REPORT

ANNUAL REPORT ON CSR ACTIVITIES

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

   The CSR policy was recommended by the CSR Committee and adopted by the Board of Directors of the Company held on 22nd March, 2014.

   The CSR policy can be accessed on the website of the Company www.khil.com and the weblink is http://www.khil.com/investors/policies.html

2. **Composition of CSR Committee:**

   At the meeting of the Board of Directors of the Company held on 22nd March, 2014 the CSR Committee was constituted. At present, the following is the composition of CSR Committee:

   i. Mr. Dinkar D. Jadhav

   ii. Mr. S. S. Thakur

   iii. Mr. Bipinchandra C. Kamdar

   iv. Ms. Himali H. Mehta

3. Average net profit for the last three financial years: ₹ (1,066.71) lakhs

4. The prescribed expenditure on CSR- N.A

5. Details of CSR spent during the financial year: ₹ 4.99 lakhs

   Amount required to be spent for FY 2017-18: NIL

   Amount unspent, if any: N.A

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

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-Heads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto to the reporting period.	Amount spent: Direct or through implementing agency
1	Blood donation camp	Health and medical	The Orchid Vile Parle	5,000	4,000	4,000	Direct
2	Earth Day	Environmental awareness among staff and society	The Orchid Vile Parle	5,500	4,000	4,000	Direct
3	Beach cleaning drive	Beaches, Marine Ecology and social awareness	The Orchid Vile Parle	15,000	13,684	13,684	Direct
4	Bird conservation-Sparrow lane is created at the Hotel. Bird feeders are installed in gardens across the city	Wild life conservation	The Orchid Vile Parle	65,000	55,699	55,699	Direct
5	Beautification of gardens in Mumbai	Mahim, Belapur, Navi mumbai, Babulnath,Mumbai	The Orchid Vile Parle	4,25,000	4,22,000	4,22,000	Direct
			Total		4,99,383		

6. Reason for not spending amount: N.A

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

Place: Mumbai
Date : 29th June, 2018

Bipinchandra C. Kamdar
DIN 01972386
Member - CSR Committee

Dinkar D. Jadhav
DIN 01809881
Chairman of CSR Committee

ANNEXURE "G" TO THE BOARD'S REPORT
MANAGEMENT DISCUSSION AND ANALYSIS
INDUSTRY STRUCTURE AND OUTLOOK

COMPANY'S INFORMATION

Kamat Hotels (India) Limited ('KHIL') was incorporated on 21st March, 1986 with the main object of setting up and running of hotels and related business. KHIL is into many hospitality ventures other then hotels and restaurant such as clubs resorts, Heritage hotels and much more across India. KHIL is also into Hotel Consultancy, setups and other such related activities. KHIL's most globally recognized brand is "THE ORCHID", An Ecotel Hotel, Asia's First chain of 5 star environmentally sensitive hotel which has won over 95 International & National awards. The Orchid is in Mumbai and Pune. 'The Company's properties provide all the modern amenities to the travellers which make it one pack deal for them. All the hotels of the company are distinctly designed to resemble the nomenclature of the hotel.

INDIAN ECONOMY

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India's GDP is expected to grow 7.3 per cent in 2018-19. India's gross domestic product (GDP) at constant prices grew by 7.2 per cent in September-December 2017 quarter as per the Central Statistics Organisation (CSO). Corporate earnings in India are expected to grow by 15-20 per cent in FY 2018-19 supported by recovery in capital expenditure, according to JM Financial. India has retained its position as the third largest start-up base in the world with over 4,750 technology start-ups, with about 1,400 new start-ups being founded in 2016, according to a report by NASSCOM. India's foreign exchange reserves were US$ 422.53 billion in the week upto March 23, 2018, according to data from the RBI.

INDUSTRY STRUCTURE AND DEVELOPMENTS

The Indian tourism and hospitality industry has emerged as one of the key drivers of growth among the services sector in India. Tourism in India has significant potential considering the rich cultural and historical heritage, variety in ecology, terrains and places of natural beauty spread across the country. Tourism is also a potentially large employment generator besides being a significant source of foreign exchange for the country. India's Foreign Exchange Earnings (FEEs) increased by 17.6 per cent year-on-year in January 2018 over January 2017.

The tourism and hospitality sector is among the top 10 sectors in India to attract the highest Foreign Direct Investment (FDI). During the period April 2000-December 2017, the hotel and tourism sector attracted around US$ 10.90 billion of FDI, according to the data released by Department of Industrial Policy and Promotion (DIPP).

India is a large market for travel and tourism. It offers a diverse portfolio of niche tourism products - cruises, adventure, medical, wellness, sports, MICE, eco-tourism, film, rural and religious tourism. India has been recognised as a destination for spiritual tourism for domestic and international tourists.

Total contribution by travel and tourism sector to India's GDP is expected to increase from ₹ 15.24 trillion in 2017 to ₹ 32.05 trillion in 2028. Travel and tourism is the third largest foreign exchange earner for India. In February 2018, the country earned foreign exchange of around US$ 2.706 billion, from the tourism sector.

- In CY2017, foreign tourist arrival in India stood at 10.177 million and reached 2.12 million in CY 2018 (up to February).
- Foreign tourist arrivals into the country is forecast to increase at a CAGR of 7.1 per cent during 2005–25
- The number of Foreign Tourist Arrivals (FTAs) in February 2018 were 1.05 million as compared to FTAs of 0.956 million in February 2017 and 0.849 million in February 2016.
- The growth rate in FTAs in February 2018 over February 2017 was 10.1 per cent.
- The Government of India has set a target of 20 million foreign tourist arrivals (FTAs) by 2020 and double the foreign exchange earnings as well.
- The Government of India is working to achieve 1 per cent share in world's international tourist arrivals by 2020 and 2 per cent share by 2025.

OPPORTUNITIES, THREATS, RISKS AND CONCERNS

Industry has taken upward turn after a long period and the Annual Room Rent and profitability should be better as compared to previous year. The main factor for this upward turn includes the rising purchasing power of domestic travellers, an increase in commercial development and foreign tourist arrivals, a growing airline industry and government-led initiatives aiming to stimulate the sector. The promotion and aggressive marketing measures undertaken by the government is expected to aid influx of tourists. The industry would also benefit from introduction of new forms of tourism and development of niche segments.

Opportunities exist in ecotourism, adventure tourism, and cruise tourism. With increasing environment awareness and consciousness among tourists and given efforts undertaken by the government and private players, the ecotourism segment is expected to record handsome growth in the coming years. However, this is subject to unforeseen events which may reduce tourist traffic and thus the business of Hotels. Infrastructure development has taken place with which the travel and tourism industry is receiving a major boost. Your Company's property with world class services and strong brand identity is ideally poised to take advantage of these opportunities.

GOVERNMENT INITIATIVES:

The Indian government has realised the country's potential in the tourism industry and has taken several steps to make India a global tourism hub. Some of the major initiatives taken by the Government of India to give a boost to the tourism and hospitality sector of India are as follows:

- Under Budget 2018-19, the government allotted ₹ 1,250 crore (US$193.08 million) for Integrated development of tourist circuits under Swadesh Darshan and Pilgrimage Rejuvenation and Spiritual Augmentation Drive (PRASAD)

- Incredible India 2.0 campaign was launched in September 2017. The Government of India is working to achieve 1 per cent share in world's international tourist arrivals by 2020 and 2 per cent share by 2025. The Government has also been making serious efforts to boost investments in tourism sector. In the hotel and tourism sector, 100 per cent FDI is allowed through the automatic route. A five-year tax holiday has been offered for 2, 3 and 4 star category hotels located around UNESCO World Heritage sites (except Delhi and Mumbai).

REVIEW OF OPERATIONAL AND FINANCIAL PERFORMANCE

The total turnover of the Company for the year was recorded at ₹16,852.23 Lakhs as against ₹15,466.91 lakhs in the previous year, a increase of around 8.96 % over the last year. The Company's profit after tax is ₹ 3,789.03 as compared to ₹ 3,817.95 lakhs of previous year.

The average occupancy level of The Orchid, Mumbai, was around 80%. The average occupancy level of VITS Mumbai was around 74%. The Average Room Rate, during the year under review, was at ₹ 5,869/- at The Orchid, Mumbai as compared to ₹ 5,883/- in the previous year and at ₹ 4,325/- at VITS, Mumbai as compared to ₹ 4,102/- in the previous year.

SEGMENT WISE PERFORMANCE

The Company is presently operating in only one segment i.e. Hospitality.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

INTERNAL FINANCIAL CONTROLS (IFC)

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

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

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

OUTLOOK

The long-term outlook for the Indian hospitality business continues to be positive, both for the business and leisure segments. The sector has potential for growth on the back of increases in disposable incomes, increase in foreign tourist arrivals, momentum from government-led initiatives, and the burgeoning middle-class population.

Travel & tourism's contribution to capital investment is projected to grow 6.3 per cent per annum during 2016–26, higher than the global average of 4.5 per cent. Contribution of visitor exports to total exports is estimated to increase 7.2 per cent per annum during 2016–2026 compared to the world average of 4.3 per cent, India offers geographical diversity, attractive beaches, 30 World Heritage Sites & 25 bio-geographic zones. India has a diverse portfolio of niche tourism products – cruises, adventure, medical, wellness, sports, MICE, eco-tourism, film, rural & religious tourism.

With a rise in online competition, popular models have come up with online travel agents (OTAs) offering a single marketplace for all travel-related needs. There are also seen meta search engines like Trip Advisor and Kayak, that operate like travel discovery platforms. Further, online accommodation reservation services like Oyo Rooms, Stayzilla are gaining popularity. Apart from this, branded hotels are seen operating direct bookings through their websites.

In order to achieve Company's vision i.e. 'To make Kamat Hotels (India) Limited the country's leading Hospitality Company.' The Company eyes on all the opportunities available in the sector and endeavours to grab almost all such opportunities. The Company is constantly trying to improve its services and systems as the Management strongly believes that there is always a room for improvement. The Management regularly reviews its goals and discusses the steps to be taken and reviews the steps already taken at length. The management believes that looking at the future scenario of hospitality industry there lays an exponential growth potential in the sector if the resources are channelized in the most effective way.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Given the highly specialised nature of the Company's business and the large number of locations where it operates, attracting and nurturing the right talent is at the core of your Company's strategy for success and growth. The company's believe in employing the right talent and nurture and polish them vis-à-vis to Company's vision and mission. During 2017-18, significant improvements were made in the recruitment process in the form of standardized pre-employment evaluation as well as interview and assessment processes across locations based on the job profile.

Towards this end, it also institutionalised internal job postings to provide employees opportunities to grow with the organisation. During the year there were 1,017 employees on the pay roll of the Company. Constant efforts are being made to motivate the employees for coming with innovative ideas which may result into improving the operational efficiency, cost rationalization etc. All efforts are made to retain the right talent and also to recognize the talent of employees.

CAUTIONARY STATEMENT

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

ANNEXURE 'H' TO THE BOARD'S REPORT

REPORT ON CORPORATE GOVERNANCE

A report on Corporate Governance framework at Kamat Hotels (India) Limited ('KHIL') for the financial year ended 31st March, 2018 on the compliance by the Company with the Corporate Governance requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations'), is furnished below.

COMPANY'S PHILOSOPHY

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

1. BOARD OF DIRECTORS:

a. Composition of Board of Directors

The Composition of the Board of Directors is in conformity with Regulation 17 of the Listing Regulations and Companies Act, 2013. The Board has an optimum combination of Executive and Non-Executive Independent Directors including one Woman Director. Dr. Vithal V. Kamat is the Executive Chairman and Managing Director of the Company. The Board of your company is a replica of finest blend of eminent personalities in their respective fields like hoteliering, business management, environment and general administration. This combination has helped the Company to take the benefit of rich experience and expertise of the directors in their core areas of competence.

The following table gives information about the composition of the Board, category of directors, membership of the directors in the Board and Board committees of other public limited companies and attendance of each director at the Board meetings and last Annual General Meeting ('AGM') of the Company:

Name	Designation and Category	Board membership in other Companies	Chairmanship of committees in other Companies	Membership (including Chairmanship) of committees in other Companies	No. of Board Meetings of the Company attended	Last AGM Attendance (Yes/No)
Dr. Vithal V. Kamat	Executive Chairman & Managing Director (Promoter)	5	0	-	5	Yes
Mr. S. S. Thakur	Independent Non Executive Director	3	2	3	5	Yes
Mr. Dinkar D. Jadhav	Independent Non-Executive Director	1	0	0	5	Yes
Ms. Himali H. Mehta	Independent Non-Executive Director	0	0	0	4	Yes
Mr. Bipinchandra C. Kamdar	Non Executive Director	1	0	1	5	Yes

Notes:

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

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

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

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

b. Board Meetings

During the financial year under review, your Board of Directors met five times which is more than the statutory requirement of four meetings.

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

Date of Board Meetings	Directors Present at the Meeting
26th May, 2017	5
14th July, 2017	4
9th September, 2017	5
18th November, 2017	5
6th February,2018	5

c. Board Meeting Procedure and Decision Making

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

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

d. Matters dealt/reviewed at Board Meetings

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

e. Board Evaluation

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

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

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

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

f. Disclosure of relationship between Directors:

There is no interrelationship between Directors.

2. FAMILIARISATION PROGRAMMES FOR INDEPENDENT DIRECTORS:

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

3. COMMITTEES OF THE BOARD:

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

a. AUDIT COMMITTEE

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

The other Members of Audit Committee comprises:

a) Ms. Himali H. Mehta, Non- Executive Independent Director;

b) Mr. Dinkar D. Jadhav, Non- Executive Independent Director; and

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

Out of 4 members 3 members of the Audit Committee are independent directors. All the members of the committee are financially literate and at least one member of the committee has accounting and related financial management expertise.

The composition and terms of reference of this Committee is in compliance with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. The Company Secretary acts as a Secretary to the Audit Committee.

During the year under review five meetings of the Audit Committee were held on 26th May, 2017, 14th July, 2017, 9th September, 2017, 18th November,2017 and 6th February, 2018.

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

Sr No.	Name of the Member	Category	Meetings attended
1	Mr. S. S. Thakur	Chairman	5
2	Mr. Dinkar D. Jadhav	Member	5
3	Ms. Himali H. Mehta	Member	4
4	Mr. Bipinchandra C. Kamdar	Member	5

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

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

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

Mr. S. S. Thakur, Chairman of Audit Committee was present at Annual General Meeting.

b. NOMINATION AND REMUNERATION COMMITTEE

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

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

The other Members of Nomination and Remuneration Committee comprises:

a) Mr. S. S. Thakur, Non- Executive Independent Director;

b) Ms. Himali H. Mehta, Non- Executive Independent Director; and

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

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

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

During the year under review two meetings of the Nomination and Remuneration Committee were held on 26th May, 2017 and 6th February, 2018. Attendance of the committee members at its meetings are as follows:

Sr. No.	Name	category	Meeting attended
1	Mr. Dinkar D. Jadhav	Chairman	2
2	Ms. Himali H. Mehta	Member	2
3	Mr. Bipinchandra C. Kamdar	Member	2
4	Mr. S. S. Thakur	Member	2

Mr. Dinkar D. Jadhav, Chairman of Nomination and Remuneration Committee was present at Annual General Meeting.

c. STAKEHOLDERS RELATIONSHIP COMMITTEE

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

The other Member of Stakeholders Relationship Committee comprises:

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

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

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

During the year, all the complaints received from the shareholders are redressed to satisfaction. There were no complaints outstanding as on 31st March, 2018. No request for transfer and dematerialization were pending for approval as on 31st March, 2018.

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

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

During the year under review two meetings of the Stakeholders Relationship Committee were held on 26th May 2017 and 6th February, 2018. Attendance of the committee members at its meetings are as follows:

Sr. No.	Name	category	Meeting attended
1	Mr. Dinkar D. Jadhav	Chairman	2
2	Mr. Bipinchandra C. Kamdar	Member	2

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

d. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

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

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

The meeting of the Corporate Social Responsibility Committee was held on 26th May, 2017, during the financial year 2017-18. The composition of the CSR Committee and attendance of the members at its Meeting are as under:

Sr. No.	Name	category	Meeting attended
1	Mr. Dinkar D. Jadhav	Chairman	1
2	Ms. Himali H. Mehta	Member	1
3	Mr. Bipinchandra C. Kamdar	Member	1
4	Mr. S. S. Thakur	Member	1

The Company Secretary act as Secretary to the CSR Committee.

e. MEETING OF INDEPENDENT DIRECTORS

The Company's Independent Directors met once during the financial year 2017-18 without the presence of Executives. Such meeting were conducted to enable the Independent Directors to discuss matters pertaining to the Company's affairs.

f. PERFORMANCE EVALUATION CRITERIA FOR DIRECTORS

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

4. DETAILS OF REMUNERATION PAID/TO BE PAID TO THE EXECUTIVE DIRECTOR DURING THE FINANCIAL YEAR 2017-18 :

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

Name of the Director & Designation	Salary (₹)	Perquisites (including club fees) (₹)	Tenure/ Notice period / Severance fees
Dr. Vithal V. Kamat, Executive Chairman and Managing Director	96,00,000	7,075	Tenure: 1st October, 2016 to 30th September, 2019 Notice Period: Six Months Severance fees: NIL

- No payment of commission to the Executive and Non-Executive Directors was made for the period from 1st April, 2017 to 31st March, 2018.
- The Company do not have any Stock Option plan.
- Notice period six months.
- There is no separate provision for severance fees.
- None of the non executive Directors have any pecuniary relationship with the Company other than sitting fees.
- During the year, the Company had sufficient profit for making payment of remuneration to Executive Chairman and Managing Director

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

Name of the Director	Amount in ₹	Number of Shares and Non- Convertible Instruments
Mr. Dinkar D. Jadhav	1,90,000	NIL
Ms. Himali H. Mehta	1,55,000	NIL
Mr. Bipinchandra C. Kamdar	1,90,000	NIL
Mr. S. S. Thakur	1,80,000	NIL
Total	**7,15,000**	

Notes:

a) No Bonus, stock options, or performance linked incentives were provided to any of the Directors of the Company during the period from 1st April, 2017 to 31st March, 2018.

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

Particulars	FY-2014-15 AGM	FY-2015-16 AGM	FY-2016-17 AGM
Date	12th September, 2015	24th September, 2016	22nd September, 2017
location	"Shubham Hall", Landmark Building, Opposite Vile Parle Railway Station, Junction of Besant Road and V. P. Road, Vile Parle (West), Mumbai – 400 056	"Shubham Hall", Landmark Building, Opposite Vile Parle Railway Station, Junction of Besant Road and V. P. Road, Vile Parle (West), Mumbai – 400 056	"Vishal Hall", Hotel Highway Inn, Sir M. V. Road (Andheri Kurla Road), Near Railway Station, Andheri (East), Mumbai – 400 069
Time	3.30 p.m.	3.30 p.m.	11.30 a.m.

- None Special Resolution was passed at the Annual General Meeting held on 12th September, 2015.
- One Special Resolutions were passed at the Annual General Meeting held on 24th September, 2016 and
- None Special Resolutions were passed at the Annual General Meeting held on 22nd September, 2017.

• **POSTAL BALLOT**

No resolution was passed through Postal Ballot during the year under review. As of now there is no immediate plan to pass any resolution through postal ballot, however, incase if any matter arise which requires consent of members the same will be passed through conduct of postal ballot in compliance with provisions of the Companies Act, 2013, Listing Regulations and Secretarial Standards.

7. SUBSIDIARY COMPANIES:

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

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

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

• Financial statements, in particular investments made by subsidiary companies, are reviewed quarterly by the Company's Audit Committee.
• Minutes of Board meetings of subsidiary companies are placed before the Company's Board regularly.
• A statement containing all significant transactions and arrangements entered into by subsidiary companies is placed before the Company's Board.

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

8. DISCLOSURES:

CEO and CFO Certification:

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

Related Party Transactions:

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

Compliance:

Compliance with Mandatory Requirements:

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

Compliance with Non- Mandatory Requirements:

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

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

Whistle Blower/Vigil Mechanism:

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

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

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

Code of Conduct:

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

Risk Management:

The Company has a well- defined Risk Management Policy which helps to identify, manage and mitigate business risks. The Board and Audit Committee periodically discuss the significant business risk identified by Management and review the measures taken for mitigation.

A note on identification and mitigation of risks is included in Management Discussion and Analysis annexed to the Board's Report.

Reconciliation of Share Capital Audit Report

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

Prohibition of Insider Trading

With a view to regulate trading in securities by the directors and designated employees, the Company has adopted a Code of Conduct for Prohibition of Insider Trading.

9. MEANS OF COMMUNICATION:

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

Quarterly Results:

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

Website:

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

Annual Reports:

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

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

10. GENERAL SHAREHOLDERS INFORMATION

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

b. Annual General Meeting Date: Wednesday, the 26th September, 2018 at 11.30 a.m. Venue: "Vishal Hall", Hotel Highway Inn, Sir M. V. Road (Andheri Kurla Road), Near Railway Station, Andheri (East), Mumbai – 400069.

c. Tentative Financial Calendar

Audited Annual Accounts for the year 2017-18	28th May, 2018
Unaudited 1st quarter Results (June 30, 2018)	Second week of August, 2018
Annual General Meeting	26th September, 2018
Unaudited 2nd quarter Results (September 30, 2018)	Second week of November, 2018
Unaudited 3rd quarter Results (December 31, 2018)	Second week of February, 2019
For the year ending (March 2019)	Audited Financial Results will be declared within 60 days from the end of F.Y. 2018-19

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

d. Dates of book closure: from Wednesday, 19th September, 2018 to Wednesday, 26th September, 2018 (both days inclusive)

e. Dividend payment date for Dividend 2017-18: -N.A.

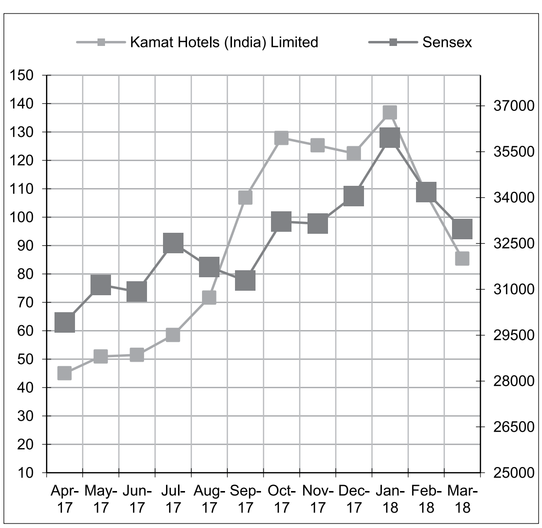
f. Listing of Equity Shares on Stock Exchanges and Market Price Data Name of the Stock Exchange(s) Stock Code/Symbol Bombay Stock Exchange Limited: 526668 at Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 and National Stock Exchange of India Limited: KAMATHOTEL at Exchange Plaza, C-1, Block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

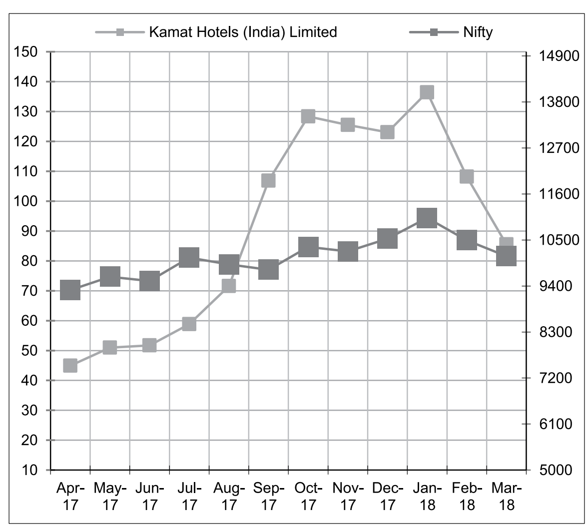
g. The Company has paid listing fee to all the Stock Exchanges for the financial year 2018-19.

h. Stock Market Price Data

Month	Bombay Stock Exchange Limited			National Stock Exchange of India Limited		
	High (₹)	Low (₹)	Monthly Volume	High (₹)	Low (₹)	Monthly Volume
Apr-17	51.15	34.05	20,994	51.25	33.5	1,97,78,559
May-17	55.45	42.2	13,316	55.4	44.1	86,82,580
Jun-17	56.75	48.95	9,121	56.7	49.05	44,88,196
Jul-17	64.4	50.1	12,055	64.2	50.05	64,11,804
Aug-17	73.1	52.6	15,249	72.9	52.6	61,66,599
Sep-17	114.9	69.5	47,110	114.85	69.35	1,90,08,389
Oct-17	128.5	103	13,057	128.75	103.5	54,40,938
Nov-17	141	114.9	12,579	141	115	45,66,694
Dec-17	133.4	115	10,219	134	115	35,80,510
Jan-18	158.85	120	30,730	158.95	120.9	97,41,297
Feb-18	139.5	101.55	12,812	139.2	101.6	33,31,408
Mar-18	109.95	83.1	5,407	109.8	82.5	23,22,615

i. Performance in comparison :





j. Liquidity

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

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

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

l. Share Transfer System

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

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

Mr. Bipinchandra C. Kamdar, Non - Executive Director

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

m. SEBI Complaints Redress System (SCORES):

SCORES is a system implemented by SEBI which enables investors to lodge their complaints electronically on the SEBI website.

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

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

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

o. Distribution of shareholdings as on 31st March, 2018

Shareholding of Nominal Value ₹			Number of Shareholders	% of total	Nominal Value ₹	% of total amount
1	to	5,000	12,167	87.06	1,54,58,090	6.55
5,001	to	10,000	865	6.2	71,47,330	3.03
10,001	to	20,000	414	2.96	64,01,690	2.72
20001	to	30,000	144	1.03	37,06,580	1.57
30,001	to	40,000	69	0.49	24,57,270	1.04
40,001	to	50,000	59	0.42	27,89,160	1.18
50,001	to	1,00,000	129	0.92	95,21,390	4.04
Above 1,00,001			129	0.92	18,83,59,070	79.87
Total			13,976	100	23,58,40,580	100

Category of Shareholdings as on 31st March, 2018

Category	No. of Equity Shares	% of total paid up Capital
Promoter and Promoter group	1,43,61,960	60.90
Directors and their Relatives (other than Promoter)	-	-
Mutual Fund	1,000	0.00
NRI/OCBs	2,42,265	1.03
Public:		
-Corporate Bodies	20,56,909	8.72
- Individual and Others	69,21,924	29.35
Total	2,35,84,058	100.00

p. Dematerialisation of Shares:

As on 31st March, 2018, 2,32,70,146 equity shares (98.67% of total equity capital) were held in dematerialised form. The relative ISIN NO. allotted to the company is INE967C01018.

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

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

r. Location of Hotels / Restaurants:

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

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

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

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

Place: Mumbai
Date: 29th June, 2018

Declaration on Code of Conduct:

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

The Code of Conduct has been posted on the website of the Company. It is further confirmed that all the Directors and senior management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended on 31st March, 2018, as envisaged in Listing Regulations.

"I hereby confirm that the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation that they have complied with the Codes of Conduct and Ethics for Directors and Senior Management of the Company in respect of the financial year 2017-18."

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

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

Place: Mumbai
Date: 29th June, 2018

AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE AS STIPULATED IN REGULATION 34(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURES REQUIREMENTS) REGULATIONS, 2015 BY THE COMPANY FOR YEAR ENDED 31ST MARCH, 2018

To
The Members,
Kamat Hotels (India) Limited

We have examined the compliance of conditions of Corporate Governance by Kamat Hotels(India) Limited, for the year ended March 31, 2018 as stipulated in regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 and para C, D and E of Schedule V of Securities and Exchange Board of India ('Listing Obligations and Disclosure Requirements') Regulations, 2015 ("Listing Regulations').

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in SEBI Listing Regulations.

Our responsibility is limited to examining to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations during the year ended 31st March, 2018.

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

For **M/S. KAUSHIK JOSHI & CO.**
Company Secretaries

T.B.Kaushik
(Partner)
COP No: 16207

Place: Mumbai
Date: June 29, 2018

Independent Auditors' Report

To,
The Members of
Kamat Hotels (India) Limited

Report on the standalone Ind AS financial statements

We have audited the accompanying standalone Ind AS financial statements of **Kamat Hotels (India) Limited**('the Company') which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (together referred to as standalone Ind AS financial statements).

Management's responsibility for the standalone Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, 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 standalone Ind AS financial statements 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 standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31st March 2018, and its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Material uncertainty related to going concern

Reference is invited to note 51 to the standalone Ind AS financial statements. Company's accumulated losses are in excess of its paid up capital and reserves and its current liabilities exceeds its current assets as on 31st March 2018. 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 standalone Ind AS financial statements have been prepared on a going concern basis for the reasons stated in the said note.

Our opinion is not qualified in respect of above matter. Further, the note on going concern was also given under emphasis of matter by previous auditor in its independent audit report for financial year 2016-2017 dated 26th May 2017.

Other matters

The comparative financial statement of the Company for the year ended 31st March 2017 and the transition date opening balance sheet as at 1st April 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory standalone financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March 2017 and 31st March 2016 dated 26th May 2017 and 28th May 2016 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of above matter.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that,
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
   c) The Balance Sheet, the Statement of Profit and Loss (Including other comprehensive income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
   d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with relevant rules issued thereunder.
   e) The matter described in 'Material Uncertainty related to Going Concern' paragraph, in our opinion may have an adverse impact on the functioning of the Company.
   f) On the basis of the written representations received from the directors as on 31st March 2018 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2018, from being appointed as a director in terms of Section 164(2) of the Act.
   g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations, if any, on its financial position in its standalone financial statements- Refer note 15.2 and 41.3(i) to the standalone financial statements.
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Sandeep Shah
Partner
Membership No. 37381

Place: Mumbai
Date: 28th May, 2018

Annexure A to the Independent Auditor's Report for the year ended 31st March 2018 Referred to in 'Other legal and regulatory requirements' of our report of even date

i. In respect to fixed assets:

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

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

c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed and conveyance deed, we report that, the title deeds, comprising all the immovable properties of land and building which are free hold, are held in the name of the Company as at the balance sheet date except with respect to freehold land situated at Nagpur having gross block of ₹ 134.40 lakhs, same is in the name of the Executive Chairman and Managing Director of the Company.

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

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

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

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

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

(c) As stated above, interest is waived off by the Company and considering the terms of repayment of principal, the question of our comment on the overdue amount for more than ninety days does not arise.

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

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

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

vii. In respect of statutory dues:

(a) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of amounts deducted / accrued in the books of accounts, the Company has been generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, professional tax, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues, as applicable to the Company, during the period with the appropriate authorities except few delays in payment of goods and service tax (GST). According to the information and explanation given to us, there are no undisputed amounts payable in respect of statutory dues outstanding for more than six months from the date they become payable except goods and service tax of ₹ 1.14 lakhs pertaining to period July to August, 2017.

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

Name of the Statute	Nature of the dues	Amount (₹ in lakhs)*	Period to which it pertains	Forum where dispute is pending
Maharashtra Value Added Tax Act, 2002	MVAT	15.64	2006-07	Joint Commissioner of Sales Tax (Appeals)
	MVAT	12.42	2007-08	Joint Commissioner of Sales Tax (Appeals)
	MVAT	13.95	2008-09	Joint Commissioner of Sales Tax (Appeals)
	MVAT	6.91	2010-11	Joint Commissioner of Sales Tax (Appeals)
	MVAT	274.97	2011-12	Joint Commissioner of Sales Tax (Appeals)
	MVAT	37.09	2012-13	Joint Commissioner of Sales Tax (Appeals)
	MVAT	5.01	2013-14	Joint Commissioner of Sales Tax (Appeals)
Maharashtra Tax on Luxuries Act 1987	Luxury Tax	1.11	2011-12	Joint Commissioner of Sales Tax (Appeals)
	Luxury Tax	13.90	2012-13	Joint Commissioner of Sales Tax (LTU 4)
	Luxury Tax	14.58	2013-14	Joint Commissioner of Sales Tax (LTU 4)
Finance Act, 1994	Service Tax	0.68	2012-13	Commissioner of Service Tax (Appeals) IV
	Service Tax	0.52	2013-14	Commissioner of Service Tax (Appeals) IV
	Service Tax	2.72	2013-14	Commissioner of Service Tax (Appeals) IV

* Net of amount paid under protest of ₹ 22.00 lakhs.

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

Sr.No.	Name of the lender	Amount of default- (₹ in lakhs)	Period of delay	Remarks
1	Canara bank (*)	5,839.31	1124 days	Principal
		3,572.80	180 to 1276 days	Interest
2	Central Bank of India (**)	1,278.45	868 days	Principal
		676.73	89 to 1124 days	Interest
3	Asset Reconstruction Company Enterprise Limited (Assigned by Tourism Finance Corporation of India)	258.00	1 to 25 days	Principal
4	Edelweiss Asset Reconstruction Limited (Assigned by Larsen & Toubro Infrastructure Finance Company Limited)	143.00	4 to 11 days	Principal
5	Asset Reconstruction Company Enterprise Limited (Assigned by State Bank of India)	1,000.00	1 to 73 days	Principal
6	Asset Reconstruction Company Enterprise Limited (Assigned by Andhra Bank)	300.00	1 to 54 days	Principal

Notes:
(*) This loan is settled and repaid fully during the year.
(**) This loan is settled during the year and repayment schedule has been revised. Accordingly, there is no continuing default at the year end.

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

ix. The Company has not raised money by way of initial public offer or further public offer [including debt instruments] & term loans during the year nor does it have opening unutilized term loan balance, hence clause (ix) of paragraph 3 of the Order is not applicable.

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

xi. In our opinion and accordingly information and explanation given to us, managerial remuneration has been paid / provided by the Company in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

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

xiii. According to the information and explanations given to us and on the basis of our examination of records of the Company, transaction with related parties are in compliance with Section 188 of Act and have been disclosed in the standalone Ind AS financial statements as required under IndAS24, Related Party Disclosure specified under section 133 of the Act [Also refer note 43 of standalone Ind AS financial statements], read with Rule 7 of the Companies (Accounts) Rules 2014.

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

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

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

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

Sandeep Shah
Partner
Membership No. 37381

Place: Mumbai
Date: 28th May, 2018

Annexure B to the Independent Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Kamat Hotels (India) Limited**("the Company") as of 31st March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Meaning of Internal Financial Controls over Financial Reporting

The Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. The Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

Sandeep Shah
Partner
Membership No. 37381

Place: Mumbai
Date: 28th May, 2018

KAMAT HOTELS (INDIA) LIMITED

Standalone Balance Sheet as at 31st March 2018

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

Particulars	Note no.	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
ASSETS				
A Non-current assets				
a) Property, plant and equipment	5	27,970.78	29,105.70	30,236.08
b) Intangible assets	6	55.03	31.56	29.78
c) Capital work-in-progress	7	48.21	23.21	10.23
d) Intangible assets under development	8	-	11.12	11.12
e) Investment property	9	1,107.28	1,132.28	1,157.28
f) Investments in subsidiaries & joint venture	10	4.00	4.00	537.00
g) Financial assets				
i) Investments	11	11.05	11.01	93.20
ii) Loans and advances	12	1,769.04	1,681.85	2,434.78
h) Deferred tax assets (Net)	13	-	22.16	96.40
i) Income tax assets (Net)	14	1,098.64	1,045.57	894.34
j) Other non current assets	15	3,997.23	4,152.74	4,307.89
(A)		**36,061.26**	**37,221.20**	**39,808.10**
B Current assets				
a) Inventories	16	272.39	451.60	461.32
b) Financial assets				
i) Investments	17	5.00	97.30	4.16
ii) Trade receivables	18	1,436.72	778.07	1,013.02
iii) Cash and cash equivalents	19	358.59	268.43	454.17
iv) Bank balances other than (iii) above	20	81.12	49.19	46.69
v) Loans	21	8.78	13.90	16.20
vi) Other current financial assets	22	9.92	6,275.66	3,579.46
c) Other current assets	23	551.62	237.14	221.67
(B)		**2,724.14**	**8,171.29**	**5,796.69**
TOTAL (A + B)		**38,785.40**	**45,392.49**	**45,604.79**
EQUITY AND LIABILITIES				
A Equity				
a) Equity share capital	24	2,417.26	2,417.26	2,417.26
b) Other equity	25	(7,593.95)	(11,379.08)	(15,197.52)
(A)		**(5,176.69)**	**(8,961.82)**	**(12,780.26)**
Liabilities				
B Non-current liabilities				
a) Financial liabilities				
i) Borrowings	26	14,996.21	30,380.37	28,263.00
ii) Other financial liabilities	27	826.50	1,332.64	1,695.79
b) Provisions	28	204.67	174.25	141.91
c) Deferred tax liabilities (Net)		1,286.61	-	-
(B)		**17,313.99**	**31,887.26**	**30,100.70**
C Current liabilities				
a) Financial liabilities				
i) Short term borrowings	29	-	-	772.43
ii) Trade payables	30			
- Amount due to Micro and small enterprises		56.29	25.02	24.62
- Amount due to other than Micro and small enterprises		1,631.00	1,197.47	1,270.38
iii) Other financial liabilities	31	22,572.76	19,318.10	23,028.71
b) Other current liabilities	32	2,106.75	1,720.45	3,034.23
c) Provisions	33	281.30	206.01	153.98
(C)		**26,648.10**	**22,467.05**	**28,284.35**
TOTAL (A+B+C)		**38,785.40**	**45,392.49**	**45,604.79**
Significant accounting policies and notes to financial statements	1 to 55			

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

As per our audit report of even date

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

Sandeep Shah
Partner
Membership No. : 37381

Place: Mumbai
Date: 28th May 2018

For and on behalf of the Board of Directors

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

S.S. Thakur
Director
(DIN : 00001466)

B.C. Kamdar
Director
(DIN: 01972386)

Amit Vyas
Company Secretary

Smita Nanda
Chief Financial Officer

Place: Mumbai
Date: 28th May 2018

KAMAT HOTELS (INDIA) LIMITED

Standalone statement of profit and loss for the year ended 31st March 2018

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

	Particulars	Note no.	Year ended 31st March 2018	Year ended 31st March 2017
A	**Income**			
	Revenue from operations	34	16,852.23	15,466.91
	Other income	35	676.38	995.51
	Total income (A)		**17,528.61**	**16,462.42**
B	**Expenses**			
	Cost of materials consumed	36	1,669.36	1,298.20
	Employee benefit expenses	37	3,947.00	3,546.65
	Finance costs	38	1,479.94	2,768.37
	Depreciation and amortisation	5, 6 & 9	1,174.13	1,255.46
	Other expenses	39	5,901.62	5,580.81
	Total expenses (B)		**14,172.05**	**14,449.49**
C	**Profit/(Loss) before exceptional items & tax (A - B) (C)**		**3,356.56**	**2,012.93**
	Exceptional item - Income/(expense) - net	40	1,751.90	1,830.01
D	**Profit/(loss) before tax (D)**		**5,108.46**	**3,842.94**
E	**Tax expense:**			
	- Current tax	13	8.98	11.20
	- Deferred tax	13	1,310.45	13.79
	Total tax expense (E)		**1,319.43**	**24.99**
F	**Profit/(loss) after tax (D - E)(F)**		**3,789.03**	**3,817.95**
G	**Other comprehensive income / (loss)**			
	a) (i) Items not to be reclassified subsequently to Statement of Profit and Loss			
	- Remeasurement of defined benefit plans - gain/(loss)		(5.57)	20.23
	(ii) Income tax relating to items that will not be classified to profit or loss		1.67	(6.07)
	b) (i) items that will be reclassified subsequently to statement of Profit and Loss		-	-
	(ii) Income tax relating to items that will be classified to profit or loss		-	-
	Other comprehensive income/ (loss) for the year (G)		**(3.90)**	**14.16**
H	**Total comprehensive income/ (loss) for the year (F + G)**		**3,785.13**	**3,832.11**
	Basic and diluted earnings/ (loss) per share	45	**16.07**	**16.19**
	Equity shares [Face value of ₹ 10 each]			
	Significant accounting policies and notes to financial statement	1 to 55		

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

As per our audit report of even date

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

Sandeep Shah
Partner
Membership No. : 37381

Place: Mumbai
Date: 28th May 2018

For and on behalf of the Board of Directors

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

S.S. Thakur
Director
(DIN : 00001466)

B.C. Kamdar
Director
(DIN: 01972386)

Amit Vyas
Company Secretary

Smita Nanda
Chief Financial Officer

Place: Mumbai
Date: 28th May 2018

KAMAT HOTELS (INDIA) LIMITED

Standalone statement of changes in equity for the year ended 31st March 2018

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

(a) Equity share capital

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Opening balance	2,417.26	2,417.26	2,417.26
Changes in equity share capital during the year	-	-	-
Closing balance	2,417.26	2,417.26	2,417.26

(Refer note 24)

(b) Other equity

Particulars	Reserves & surplus					OCI	Total other equity
	Capital Reserve	Capital Redemption Reserve	Securities Premium	Amalgamation Reserve	Retained Earnings	Remeasurement gain/ (loss) of defined benefit plan	
Balance as at 1st April, 2016	13.87	266.50	14,986.74	280.06	(30,744.69)	-	(15,197.52)
Profit for the year	-	-	-	-	3,817.95	-	3,817.95
Other adjustments	-	-	-	-	(13.67)	-	(13.67)
Other comprehensive income/ (loss) for the year (net)	-	-	-	-	-	14.16	14.16
Balance as at 31st March 2017	**13.87**	**266.50**	**14,986.74**	**280.06**	**(26,940.41)**	**14.16**	**(11,379.08)**
Profit for the year	-	-	-	-	3,789.03	-	**3,789.03**
Other comprehensive income/ (loss) for the year	-	-	-	-	-	(3.90)	**(3.90)**
Balance as at 31st March 2018	**13.87**	**266.50**	**14,986.74**	**280.06**	**(23,151.38)**	**10.26**	**(7,593.95)**

(Refer note 25)
*Other comprehensive income

As per our audit report of even date

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

Sandeep Shah
Partner
Membership No. : 37381

Place: Mumbai
Date: 28th May 2018

For and on behalf of the Board of Directors

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

S.S. Thakur
Director
(DIN : 00001466)

B.C. Kamdar
Director
(DIN: 01972386)

Amit Vyas
Company Secretary

Smita Nanda
Chief Financial Officer

Place: Mumbai
Date: 28th May 2018

KAMAT HOTELS (INDIA) LIMITED

Standalone Cash Flow Statement for the year ended 31st March 2018

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

	Particulars	Year ended 31st March 2018	Year ended 31st March 2017
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit /(loss) before taxes	5,108.46	3,842.94
	Adjustments for:		
	Finance cost	1,479.94	2,768.37
	Interest income	(259.15)	(377.40)
	Depreciation and amortization	1,174.13	1,255.46
	Bad debts written off	19.19	1.36
	Provision for expected credit loss and doubtful debt advances (Including exceptional item of ₹ Nil (Previous year: 698.74 lakhs)	279.97	765.24
	Provision for impairment in investment in subsidiary (exceptional item)	-	533.00
	Loss on sale/ discard of fixed assets (Including exceptional item of ₹ 95.79 lakhs (Previous year: Nil)	174.20	18.21
	Provision for doubtful debts written back (exceptional item)	(280.00)	-
	Interest provision no longer required written back (exceptional item)	(1,567.69)	(2,576.37)
	Reduction in liability towards long term and short term borrowings (exceptional item)	-	(485.38)
	Dividend income	(0.43)	(0.43)
	Other non-cash items	-	(13.67)
	Operating profit / (loss) before working capital changes	**6,128.62**	**5,731.33**
	Movements in working capital : [Including Current and Non-current]		
	(Increase) / decrease in loans, trade receivable and other current assets	5,032.55	(2,452.62)
	(Increase) / decrease in inventories	179.21	9.72
	Increase / (decrease) in trade payable, other liabilities and provisions	313.75	11.84
		11,654.14	**3,300.27**
	Adjustment for:		
	Direct taxes paid (including tax deducted at source)	(37.28)	(70.31)
	Net cash generated/ (used in) from operating activities…(A)	**11,616.86**	**3,229.96**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment (Including capital work in progress and capital advances)	(231.82)	(431.25)
	Sale of property, plant and equipment	6.05	277.56
	Investment during the year	-	(10.95)
	Proceeds from sale/ redemption of investment	92.26	-
	Refund of loan	280.00	128.92
	Interest income	293.49	368.17
	Dividend income	0.43	0.43
	(Increase)/decrease in bank balance [Current and non-current] (other than cash and cash equivalent)	(31.93)	(2.50)
		408.48	**330.38**
	Adjustment for:		
	Direct taxes (paid)/ refund received (including tax deducted at source) - (Net)	(24.77)	(37.74)
	Net cash (used in) / from investing activities… (B)	**383.71**	**292.64**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from long term borrowings	10,025.00	202.21
	Repayment of long term borrowings	(18,018.62)	(2,886.58)
	Dividend paid	-	(2.10)
	Refinancing of net book overdraft	-	(323.96)
	Interest paid (Including other borrowing cost)	(3,916.79)	(243.74)
	Net cash (used in) / from financing activities… (C)	**(11,910.41)**	**(3,254.16)**
	Net increase / (decrease) in cash and cash equivalents (A+ B+C)	**90.16**	**268.43**
	Cash and cash equivalents at beginning of the year (Refer note (ii) below)	268.43	-
	Cash and cash equivalents at end of the year	358.59	268.43
	Net increase / (decrease) in cash and cash equivalents	**90.16**	**268.43**

Standalone Cash Flow Statement for the year ended 31st March 2018

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

Notes:

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

(ii) Breakup of cash and cash equivalent is as given below:

Particulars	**Note**	**As at 31st March 2018**	**As at 31st March 2017**	**As at 1st April 2016**
Cash and cash equivalent as per note 19		358.59	268.43	454.17
Less: Bank balance - book overdraft		-	-	5.69
Less: Bank overdraft facility from bank		-	-	772.43
Net cash and cash equivalent		**358.59**	**268.43**	**(323.96)**
Less: Cash and cash equivalent shown under financing activity		-	-	(323.96)
Net cash and cash equivalent as disclosed in cash flow statement above		**358.59**	**268.43**	**-**

(iii) Refer note 49 for other cash flow statement related notes.

Significant accounting policies and notes to financial statements **1 to 55**

Notes referred to herein above form an integral part of standalone financial statements.

As per our audit report of even date

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

Sandeep Shah
Partner
Membership No. : 37381

Place: Mumbai
Date: 28th May 2018

For and on behalf of the Board of Directors

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

S.S. Thakur
Director
(DIN : 00001466)

B.C. Kamdar
Director
(DIN: 01972386)

Amit Vyas
Company Secretary

Smita Nanda
Chief Financial Officer

Place: Mumbai
Date: 28th May 2018

Notes on standalone financial statements for the year ended 31st March 2018

1. Background

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

The financial statements of the Company for the year ended 31st March 2018 were approved and adopted by board of directors of the Company in their meeting held on 28th May 2018.

2. Basis of preparation

2.1. Statement of compliance with Ind AS

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

For all periods up to and including the year ended 31st March 2017, the Company had prepared its standalone financial statements in accordance with the Accounting Standards notified under Section 133 of the Companies Act, 2013 read together with the Companies (Accounts) Rules 2014 (referred as "Indian GAAP"). These are the Company's first annual financial statements prepared complying in all material respects with the Ind AS notified under Section 133 of the Companies Act, 2013.

The standalone financial statements comply with Ind AS notified by the Ministry of Corporate Affairs ('MCA'). The Company has consistently applied the accounting policies used in the preparation of its opening Ind AS Balance Sheet at 1st April 2016 throughout all periods presented, as if these policies had always been in effect and are covered by Ind AS 101 "First-time adoption of Indian Accounting Standards''. The transition was carried out from Indian GAAP which is considered as the previous GAAP, as defined in Ind AS 101. The reconciliation of effects of the transition from Indian GAAP on the equity as at 1st April 2016 and 31st March 2017 and on the net profit and cash flows for the year ended 31st March 2017 is disclosed in note 55 to these standalone financial statements.

2.2. Functional and presentation of currency

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

2.3. Fair value measurement

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

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

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

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

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

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

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

Level 3 – unobservable inputs for the asset or liability

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

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

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

2.4. Use of significant accounting estimates, judgements and assumptions

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

Notes on standalone financial statements for the year ended 31st March 2018

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

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

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

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

ii) Impairment of financial assets

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

iii) Contingencies

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

iv) Income taxes

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

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

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

vi) Loyalty program

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

vii) Impairment of investment in subsidiaries and joint venture entity

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

viii) Going concern

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. 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 standalone Ind AS financial statements have been prepared on a going concern basis for the reasons stated in note 51.

ix) Impairment of non-financial assets

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

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

x) Corporate guarantee:

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

Notes on standalone financial statements for the year ended 31st March 2018

Hence the financial guarantee obligation is not required to be recognised in financial statements and it has been disclosed as contingent liability.

3. Significant Accounting Policies

3.1. Presentation and disclosure of standalone financial statement

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

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

3.2. Property, Plant and Equipment and Depreciation

Recognition and measurement

Under the previous GAAP, property, plant and equipment were carried at historical cost less depreciation and impairment losses, if any. On transition to Ind AS, the Company has availed the optional exemption under Ind AS 101 and accordingly it has used the carrying value as at the date of transition i.e. 1st April 2016 as the deemed cost of the property, plant & equipment under Ind AS.

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

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

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

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

Depreciation and useful lives

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

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

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

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

De-recognition

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

3.3. Intangible assets and amortisation

Recognition and measurement

Under the previous GAAP, intangible assets were carried at historical cost less amortization and impairment losses, if any. On transition to Ind AS, the Company has availed the optional exemption under Ind AS 101 and accordingly it has used the carrying value as at the date of transition i.e. 1st April 2016 as the deemed cost of the intangible assets under Ind AS.

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

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

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

Amortization and useful lives

Computer softwares are amortized in 10 years on straight line basis. Amortisation methods and useful lives are reviewed at each financial year end and adjusted prospectively.

In case of assets purchased during the year, amortization on such assets is calculated on pro-rata basis from the date of such addition

Notes on standalone financial statements for the year ended 31st March 2018

3.4. Investment property and depreciation

On transition to Ind AS i.e. 1st April 2016, the Company has re-classified certain items from Property, Plant and Equipment to Investment Property. For the same, Company has elected to use the exemption available under Ind AS 101 to continue the carrying value for such assets as recognised in the financial statements as at the date of transition to Ind ASs, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (01st April 2016)

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

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

Depreciation and useful lives

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

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

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

3.5. Inventories

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

3.6. Revenue recognition

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

(i) Revenue comprises of sale of rooms, banquets, food & beverages and allied services relating to hotel operations. Revenue is recognised upon rendering of service. Sales and services are recorded inclusive of excise duty (wherever applicable) and net of goods and service tax, sales tax, service tax [upto 30th June 2017) , luxury tax and discounts. Revenue yet to be billed is recognised as unbilled revenue.

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

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

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

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

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

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

(viii) Income from rentals are recognized as an income in the statement of profit and loss on a straight-line basis over the lease term except where scheduled increase in rent compensates the Company with expected inflationary costs.

(ix) Export incentives / benefits

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

3.7. Investment in subsidiaries, associates and jointly controlled entities

The Company has availed the optional exemption under Ind AS 101 and accordingly it has used the carrying value as at the date of transition i.e. 1st April 2016 as the deemed cost for investment in subsidiaries, associates and jointly controlled entities. The Company's investment in instruments of subsidiaries, associates and jointly controlled entities are accounted for at cost.

Notes on standalone financial statements for the year ended 31st March 2018

3.8. Government grants

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

3.9. Foreign currency transaction

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

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

3.10. Employee benefits

- Short term employee benefits

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

- Post-employment benefits& other long term benefits

a. Defined contribution plan

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

b. Post-employment benefit and other long term benefits

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

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

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

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

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

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

3.11. Borrowing cost

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

3.12. Leases

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

Where Company is lessee

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

Notes on standalone financial statements for the year ended 31st March 2018

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

Where Company is lessor

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

3.13. Taxes on income

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

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

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

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

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

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

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

3.14. Cash and cash equivalent

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

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

3.15. Cash flow statement

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

3.16. Provisions, contingent liabilities,contingent assets

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

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

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

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

3.17. Earnings per share

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

Notes on standalone financial statements for the year ended 31st March 2018

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

3.18. Financial instruments

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

3.18.1. Financial assets

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

Classification of financial assets

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

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

All other financial assets are subsequently measured at fair value.

Effective interest method

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

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

Investments in equity instruments at FVTOCI

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

A financial asset is held for trading if:

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

Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Notes on standalone financial statements for the year ended 31st March 2018

Impairment of financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model based on 'simplified approach' for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the twelve month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in statement of profit and loss.

De-recognition of financial asset

The Company de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On de-recognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

3.18.2. Financial liability and equity instrument

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for de-recognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Notes on standalone financial statements for the year ended 31st March 2018

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in profit or loss.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability or (where appropriate) a shorter period, to the gross carrying amount on initial recognition.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

Commitments to provide a loan at a below-market interest rate

Commitments to provide a loan at a below-market interest rate are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

Compound financial instruments

The liability component of a compound financial instrument is recognised initially at fair value of a similar liability that does not have an equity component. The equity component is recognised initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and the equity components, if material, in proportion to their initial carrying amounts.

Subsequent to the initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest rate method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Reclassification

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Notes on standalone financial statements for the year ended 31st March 2018

De-recognition of financial liabilities

The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in profit or loss.

4. New standard issued but not effective and hence not adopted

The following standards issued / modified by MCA become effective w.e.f. 1st April 2018.

Particulars	Effective date
New Ind AS issued *	
Ind AS 115 – Revenue from contracts with customers	1st April 2018
Modification to existing Ind AS *	
Ind AS 12 – Income Taxes	1st April 2018
Ind AS 21 – The effects of changes in foreign exchange rates	1st April 2018
Ind AS 28 – Investments in associates and joint ventures	1st April 2018
Ind AS 40 – Investment property	1st April 2018
Ind AS 112 – Disclosure of interest in other entities	1st April 2018

* Does not include modification to existing other Ind AS due to issue of new Ind AS.

The Company is assessing the potential impact of above amendments on the financial statements. Management presently is of the view that it would not have a material impact on the financial statements.

Notes on standalone financial statements for the year ended 31st March 2018

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

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Property, plant and equipment	Freehold Land	Leasehold Land (Financial Lease)	Building	Leasehold Improvements (Refer note 5.3)	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Total
Gross carrying value									
Deemed cost as at 1st April, 2016	2,561.08	361.82	6,768.69	18,485.11	1,797.11	180.46	47.11	34.72	30,236.08
Additions during the year 2016-17	-	-	2.81	274.29	73.34	24.47	-	14.13	389.05
Deletions during the year 2016-17	-	-	259.40	-	14.33	1.78	21.47	1.11	298.09
Balance as at 31st March, 2017	**2,561.08**	**361.82**	**6,512.10**	**18,759.40**	**1,856.12**	**203.15**	**25.64**	**47.74**	**30,327.04**
Additions during the year 2017-18				10.23	137.47	26.19	-	11.80	185.70
Deletions during the year 2017-18			0.74	114.83	124.10	6.64	4.17	1.03	251.51
Balance as at 31st March, 2018	**2,561.08**	**361.82**	**6,511.36**	**18,654.81**	**1,869.49**	**222.70**	**21.47**	**58.51**	**30,261.23**
Accumulated depreciation									
Balance as at 1st April, 2016	-	-	-	-	-	-	-	-	
Additions during the year 2016-17	-	9.83	149.64	708.57	291.36	49.07	5.11	11.90	1,225.47
Deletions during the year 2016-17	-	-	-	-	1.55	0.89	1.56	0.14	4.14
Balance as at 31st March, 2017	**-**	**9.83**	**149.64**	**708.57**	**289.81**	**48.18**	**3.55**	**11.76**	**1,221.33**
Additions during the year 2017-18	-	9.83	135.89	684.10	257.69	37.16	2.86	13.51	1,141.04
Deletions during the year 2017-18	-	-	0.02	21.28	45.72	4.14	0.39	0.38	71.93
Balance as at 31st March, 2018	**-**	**19.66**	**285.51**	**1,371.39**	**501.78**	**81.19**	**6.02**	**24.88**	**2,290.45**
Net carrying amount									
Balance as at 1st April, 2016	2,561.08	361.82	6,768.69	18,485.11	1,797.11	180.46	47.11	34.72	30,236.08
Balance as at 31st March, 2017	2,561.08	351.98	6,362.46	18,050.83	1,566.31	154.97	22.08	35.98	29,105.70
Balance as at 31st March, 2018	**2,561.08**	**342.15**	**6,225.85**	**17,283.41**	**1,367.72**	**141.51**	**15.45**	**33.62**	**27,970.78**

Notes:

5.1 On transition to Ind AS, the carrying values of all the property, plant and equipment under the previous GAAP have been considered to be the deemed cost under Ind AS. Also refer note 55.

5.2 For details of assets given as security, refer note 26.1 and 29.1

5.3 The leasehold improvements are constructed on land taken under operating lease.

Notes on standalone financial statements for the year ended 31st March 2018

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

6	Other intangible assets	Software	Total
	Gross carrying value		
	Deemed Cost as at 1st April, 2016 (Refer note 6.1)	29.78	29.78
	Additions during the year 2016-17	8.58	8.58
	Deletions during the year 2016-17	86.64	86.64
	Balance as at 31st March, 2017	**(48.28)**	**(48.28)**
	Additions during the year 2017-18	32.24	32.24
	Deletions during the year 2017-18	5.32	5.32
	Balance as at 31st March, 2018	**(21.37)**	**(21.37)**
	Accumulated amortization		
	Balance as at 1st April, 2016	-	-
	Amortization for the year 2016-17	4.99	4.99
	Deletions during the year 2016-17	84.82	84.82
	Balance as at 31st March, 2017	**(79.84)**	**(79.84)**
	Amortization for the year 2017-18	8.09	8.09
	Deletions during the year 2017-18	4.65	4.65
	Balance as at 31st March, 2018	**(76.40)**	**(76.40)**
	Net carrying amount		
	Balance as at 1st April, 2016	29.78	29.78
	Balance as at 31st March, 2017	31.56	31.56
	Balance as at 31st March, 2018	**55.03**	**55.03**

6.1 On transition to Ind AS, the carrying values of all the intangible asset under the previous GAAP have been considered to be the deemed cost under Ind AS. Also refer note 55.

6.2 Software is other than internally generated software.

6.3 Balance useful life of intangible as at 31st March 2018 is 1 to 9 years (31st March 2017 : 1 to 9 years, 1st April 2016 : 1 to 9 years).

7	Capital work in progress	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
	Opening balance	23.21	10.23	-
	Add: Additions during the year	48.21	24.17	10.23
	Less: Capitalised during the year	23.21	11.19	-
	Closing balance	**48.21**	**23.21**	**10.23**

8	Intangible assets under development	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
	Opening balance	11.12	11.12	-
	Add: Additions during the year	-	-	11.12
	Less: Capitalised during the year	1.60	-	-
	Less: Written off during the year	9.52	-	-
	Closing balance	**-**	**11.12**	**11.12**

Notes on standalone financial statements for the year ended 31st March 2018

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

9	Investment property	Freehold land	Building	Building on leasehold land (Refer note 9.5)	Total
	Gross carrying value				
	Deemed cost as at 1st April, 2016	**178.09**	**28.34**	**950.85**	1,157.28
	Additions during the year 2016-17		**-**	**-**	-
	Deletions during the year 2016-17	**-**	**-**	**-**	-
	Balance as at 31st March, 2017	**178.09**	**28.34**	**950.85**	**1,157.28**
	Additions during the year 2017-18	-	-	-	-
	Deletions during the year 2017-18	-	-	-	-
	Balance as at 31st March, 2018	**178.09**	**28.34**	**950.85**	**1,157.28**
	Accumulated depreciation				
	Balance as at 1st April, 2016				-
	Additions during the year 2016-17	-	0.51	24.49	25.00
	Deletions during the year 2016-17	-	-	-	-
	Balance as at 31st March, 2017	**-**	**0.51**	**24.49**	**25.00**
	Additions during the year 2017-18		0.51	24.49	25.00
	Deletions during the year 2017-18		-	-	-
	Balance as at 31st March, 2018	**-**	**1.02**	**48.98**	**50.00**
	Net carrying amount				
	Balance as at 1st April, 2016	178.09	28.34	950.85	1,157.28
	Balance as at 31st March, 2017	178.09	27.83	926.36	1,132.28
	Balance as at 31st March, 2018	**178.09**	**27.32**	**901.87**	**1,107.28**

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

9.2 Cost of freehold land includes ₹ 134.40 lakhs as at 31st March 2018 (31st March 2017: ₹ 134.40 lakhs; As at 1st April 2016: ₹ 134.40 lakhs) which is in the name of the Executive Chairman and Managing Director of the Company.

9.3 On transition to Ind AS, the carrying values of all the investment property under the previous GAAP have been considered to be the deemed cost under Ind AS. Also refer note 55.

9.4 For details of assets given as security, refer note 26.1 and 29.1

9.5 The leasehold improvements are constructed on land taken under operating lease.

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

Particulars	31st March 2018	31st March 2017
Rental income derived from investment property (Refer note 9.7)	44.58	56.24
Direct operating expenses (including repairs and maintenance) generating rental income	17.71	16.94
Direct operating expenses (including repairs and maintenance) that did not generate rental income	5.41	4.48
Profit from leasing of investment properties before depreciation	**21.46**	**34.82**
Less: Depreciation expenses	25.00	25.00
Profit from leasing of investment properties after depreciation	**(3.54)**	**9.82**

9.7 Leasing arrangement

Certain investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Refer note 47 (a) for details on future minimum lease rentals.

9.8 Fair value

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Fair value of investment properties	1,184.95	1,132.28	1,157.28

9.9 The Company's investment properties consist of land situated at Nagpur, Kottayam (Kerala), Baddi (Himachal Pradesh) and office building in Mumbai. The best evidence of fair value is current prices in an active market for similar properties. Company has considered ready reckoner rates as the main input for valuation of these investment properties. All resulting fair value estimates for investment properties are included in Level 2.

Notes on standalone financial statements for the year ended 31st March 2018

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

10	**Investments in subsidiaries and joint ventures** (At cost)	**As at 31st March 2018**	**As at 31st March 2017**	**As at 1st April 2016**
	Investment in equity instruments (fully paid)			
	Unquoted			
	Investment in wholly owned subsidiaries			
	Orchid Hotels Pune Private Limited (OHPPL) 1,17,64,706 equity shares (31st March, 2017 1,17,64,706 and 1st April, 2016 1,17,64706) of ₹ 10 each	9,327.75	9,327.75	9,327.75
	Less: Impairment in value of investment (Refer note 10.1 and 10.3)	9,327.75	9,327.75	9,327.75
		-	-	-
	Fort Jadhavgadh Hotels Private Limited 10,000 equity shares (31st March, 2017 10,000 and 1st April, 2016 10,000) of ₹ 10 each	1.00	1.00	1.00
	Orchid Hotels Eastern (India) Pvt Ltd [formerly known has Green Dot Restaurants Private Limited] 10,000 equity shares (31st March, 2017 10,000 and 1st April, 2016 10,000) of ₹ 10 each	1.00	1.00	1.00
	Mahodadhi Palace Private Limited 10,000 equity shares (31st March, 2017 10,000 and 1st April, 2016 10,000) of ₹ 10 each	1.00	1.00	1.00
	Kamat Restaurants (India) Private Limited 10,000 equity shares (31st March, 2017 10,000 and 1st April, 2016 10,000) of ₹ 10 each	1.00	1.00	1.00
	Investments in Joint Venture			
	Ilex Developers and Resorts Limited 2,66,500 equity shares (31st March, 2017 2,66,500 and 1st April, 2016 2,66,500) of ₹ 10 each	533.00	533.00	533.00
	Less: Impairment in value of investment (Refer note 10.2)	533.00	533.00	-
		-	-	533.00
	Total	**4.00**	**4.00**	**537.00**
	Aggregate book value of unquoted investment	9,864.75	9,864.75	9,864.75
	Aggregate amount of impairment in value of investments	9,860.75	9,860.75	9,327.75

10.1 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), a wholly owned subsidiary of the Company in earlier years. Further, a loan of ₹ 19,646.40 lakhs was granted to OHPPL in earlier years. This subsidiary has been declared as non-performing asset by its lender due to defaults in paying the loan dues. This subsidiary is also facing other adverse factors which have severely affected its financial position. Considering these adverse factors, in the earlier years the Company had made a provision for impairment of investment and loan outstanding from the subsidiary.

In view of various adverse factors and request made to the Company by the subsidiary for waiver of interest on the loan, Company had waived off interest on this unsecured loan granted until there is improvement in the financial position of the Company. This waiver is effective from 1st January, 2014 Accordingly, no interest is charged by the Company on the outstanding loan.

10.2 The Company has made a strategic and long term investment of ₹ 533.00 lakhs (As at 31st March 2017: ₹ 533.00 lakhs; as at 1st April 2016: ₹ 533.00 lakhs) in the shares of Ilex Developers & Resorts Limited (Ilex), a 32.92% joint venture of the Company in earlier years. In the previous year, the Company had made full provision for impairment of investment based on assessment carried out by the management.

10.3 Out of Company's investment in equity shares of OHPPL, 57,64,701 equity shares as on 31st March 2018 (31st March 2017: 57,64,701 and 1st April 2016: 57,64,701) have been pledged by the Company to lenders as a security for loans taken by the Company and 35,29,411 equity shares have been pledged by the Company to lenders as a security for loan taken by the Subsidiary Company.

10.4 Company's investment in equity shares of wholly owned subsidiaries [Kamats Restaurants (India) Private Limited, Fort Jadhavgadh Hotels Private Limited and Mahodadhi Palace Private Limited] and equity shares held in joint venture entity [ILEX Developers and Resorts Limited] is given as security for loan facilities availed by the Company [Also refer note 26.1(a)].

Notes on standalone financial statements for the year ended 31st March 2018

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

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	Investments	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
(a)	**Investments carried at fair value through profit and loss account**			
	Investment in Government Securities			
	Unquoted			
	6 Year National Saving Certificate ('NSC')	-	-	0.05
	ICICI Tax Saving Bonds (1st April, 2016 200 bonds of ₹ 5,000)	-	-	81.47
	Total amortized cost investments	**-**	**-**	**81.52**
(b)	**Investment measured at Fair Value Through Profit or Loss**			
	Investment in equity instruments			
	Quoted			
	Royal Orchid Hotels Limited 50 equity shares (31st March 2017 50 and 1st April 2016 50) of Rs 10 each	0.08	0.04	0.04
	Unquoted			
	The Satara Sahakari Bank Limited 10,010 equity shares (31st March 2017 10,010 and 1st April 2016 10,010) of ₹ 50 each	10.97	10.97	11.64
	Total FVTPL investments	**11.05**	**11.01**	**11.68**
	Total	**11.05**	**11.01**	**93.20**
	Aggregate amount of quoted investments	0.08	0.04	0.04
	Aggregate amount of unquoted investments	10.96	10.96	93.16
	Market value of quoted investments	0.08	0.04	0.04
	Aggregate amount of impairment in value of investments	-	-	-

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Loans and advances (Unsecured, considered good unless otherwise stated)	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Security deposits			
- Related Party (Refer note 12.1 and 43)	1,632.51	1,547.55	1,467.36
- Others	136.53	134.30	139.76
Loans to subsidiaries (considered doubtful)	20,065.14	20,345.14	20,474.06
Less: Impairment of advance given (Refer note 10.1 and 12.2)	20,065.14	20,345.14	19,646.40
	-	-	827.66
Inter corporate deposit (considered doubtful)	200.00	200.00	200.00
Less: Impairment of advance given (Refer note 10.2)	200.00	200.00	200.00
	-	-	-
Total	**1,769.04**	**1,681.85**	**2,434.78**

12.1 Security deposit paid having carrying value of ₹ 8,000 lakhs as at 31st March, 2018 (As at 31st March, 2017: ₹ 8,000 lakhs; as at 1st April, 2016: ₹ 8,000 lakhs) is interest free and is given for leasehold land taken to Plaza Hotels Private Limited in which director of the Company is also member.

12.2 Loan to subsidiaries include outstanding loan of ₹ 418.74 lakhs (31st March, 2017 - ₹ 698.74 lakhs; 1st April, 2016 - ₹ 827.66) given to Mahodadhi Palace Private Limited (MPPL). This subsidiary is facing adverse factors which have severely affected its financial position. Considering these adverse factors, in the earlier years the Company had made a provision of ₹ 698.74 lakhs for doubtful of recovery from this subsidiary. Company has recovered part of the loan during the year of ₹ 280.00 lakhs during the year and provision for the same has been written back to the extent of recovery.

Further, in view of various adverse factors and request made to holding company by MPPL for waiver of interest, Company has waived off interest on this unsecured loan granted until there is improvement in the financial position of the Company. This waiver is effective from 28th February, 2017. Accordingly, no interest is charged by the Company on the outstanding loan.

Notes on standalone financial statements for the year ended 31st March 2018

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

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Deferred tax assets/ (liabilities)	**As at 31st March 2018**	**As at 31st March 2017**	**As at 1st April 2016**
Significant components of net deferred tax assets and liabilities			
Deferred tax assets			
Carried forward losses as per Income Tax Act, 1961	522.63	178.43	910.43
Expense allowed on payment basis as per Income tax act, 1961	1,149.00	3,567.44	2,843.80
Provision for doubtful debts and advances	437.60	405.02	383.15
MAT credit entitlement	167.17	167.17	155.97
Fair value measurement of financial assets and liabilities (net)	622.16	474.25	389.04
Sub-total (A)	**2,898.56**	**4,792.31**	**4,682.39**
Deferred tax liabilities			
Difference in net carrying value of property, plant and equipment, intangible assets and investment properties as per income tax and books	4,182.26	4,766.84	4,581.36
Sales tax deposit paid under protest claimed as allowable expenses	2.91	3.31	4.63
Sub-total (B)	**4,185.17**	**4,770.15**	**4,585.99**
Deferred tax assets/(liability) (A-B)	**(1,286.61)**	**22.16**	**96.40**

13.1 Reconciliation of tax expenses and the accounting profit multiplied by applicable tax rate for 31st March 2018 and 31st March 2017:

Particulars	**As at 31st March 2018**	**As at 31st March 2017**
Profit before tax (a)	5,102.89	3,863.17
Income tax rate as applicable (b)	33.99%	33.06%
Income tax liability/(asset) as per applicable tax rate (a X b)	1,734.47	1,277.28
(i) Expenses disallowed for tax purposes	(103.33)	268.85
(ii) Reversal of deferred tax liability due to rate reduction	(322.36)	70.80
(iii) Deferred tax asset for previous year utilized in current year	-	(1,585.87)
(iv) Tax expenses of earlier years	8.98	-
Tax expense reported in the Statement of Profit and Loss	**1,317.76**	**31.06**

Note:

(a) The Company offsets tax assets and liabilities in and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same authority.

(b) No provision for income tax has been made in the current year as there is no taxable income as per the Income Tax Act, 1961 considering brought forwarded losses and payments made, allowable on payments basis.

13.2 Income tax recognised in the statement of profit and loss:

Particulars	**As at 31st March 2018**	**As at 31st March 2017**
Current tax		
In respect of the current year	-	11.20
In respect of the earlier years	8.98	-
	8.98	**11.20**
Deferred tax		
MAT credit	-	(11.20)
Other items	1,308.78	31.06
	1,308.78	**19.86**
Total tax expense recognized in current year	**1,317.76**	**31.06**

Notes on standalone financial statements for the year ended 31st March 2018

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

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Income tax assets (net)	**As at 31st March 2018**	**As at 31st March 2017**	**As at 1st April 2016**
Income tax (net)	1,098.64	1,045.57	894.34
Total	**1,098.64**	**1,045.57**	**894.34**

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Other non current assets (Unsecured, considered good unless otherwise stated)	**As at 31st March 2018**	**As at 31st March 2017**	**As at 1st April 2016**
Capital advances	188.65	188.65	188.65
Less: Impairment of advance given	188.65	188.65	188.65
	-	-	-
Others advances (Refer Note 15.2)	488.62	488.62	488.62
Less: Impairment of advance given	488.62	488.62	488.62
	-	-	0.00
Deferred advance rentals	3,976.25	4,140.34	4,303.52
Prepaid expenses	20.98	12.40	4.37
Total	**3,997.23**	**4,152.74**	**4,307.89**

15.1 Company has given interest free security deposit having carrying value of ₹ 8,000.00 lakhs as at 31st March 2018 (As at 31st March 2017: ₹ 8,000.00 lakhs; as at 1st April 2016: ₹ 8,000.00 lakhs) for hotel property taken by the Company to an entity in which some of the directors are director and member.

15.2 In terms of the Memorandum of Understanding with a Public Trust owning a plot of land in Mumbai, the Company had paid ₹ 488.62 lakhs as security deposit and incurred expenditure of ₹ 207.93 lakhs for a proposed hospitality project on the said land in earlier years. The owner did not fulfil his obligation to complete the infrastructure for the aforesaid project despite follow up by the Company. In view of inordinate delay in the projects, the expenditure incurred on the said incomplete project has been written off and a provision has been made in the earlier year for the deposit paid to the said party. Company has initiated legal proceedings against the party and other party has also made counter claim for compensation and interest thereon. The matter is pending to be resolved. Adjustments, if any, to the expenditure written off and provision made as above, will be made on disposal / conclusion of the above matter in the year in which matter is settled.

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Inventories (At lower of cost or net realisable value)	**As at 31st March 2018**	**As at 31st March 2017**	**As at 1st April 2016**
Food and beverages	175.06	157.14	160.84
Stores and operating supplies	97.33	294.46	300.48
Total	**272.39**	**451.60**	**461.32**

17

Current investments	**As at 31st March 2018**	**As at 31st March 2017**	**As at 1st April 2016**
Investment measured at Amortised Cost			
Unquoted			
Nil (As at 31st March 2017 - 200; 1st April 2016 - Nil) units of ICICI tax saving bonds of ₹ 5,000 each	-	92.30	-
50,000 (31st March 2017: 50,000; 1st April 2016: 50,000) units of SBI PSU FUND - of ₹ 10 each	5.00	5.00	4.16
Total	**5.00**	**97.30**	**4.16**
Aggregate value of unquoted investments	5.00	97.30	5.00
Net asset value unquoted investments	5.54	6.17	4.16
Aggregate amount of impairment in value of investments	-	-	-

Notes on standalone financial statements for the year ended 31st March 2018

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

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Trade receivable (Unsecured considered good, unless otherwise stated)	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
-Considered good	2,930.34	778.07	1,002.20
-Considered doubtful	-	1,224.99	1,169.31
Sub-total	**2,930.34**	**2,003.06**	**2,171.51**
Less: Allowance for expected credit loss	1,493.62	1,224.99	1,158.49
Total	**1,436.72**	**778.07**	**1,013.02**

18.1 Trade receivable includes receivable from related parties as given below. This included amount of ₹ 7.39 lakhs (As at 31st March 2017: ₹ 11.04 lakhs; As at 1st April 2016: ₹ 100.70 lakhs) from entities in which director of the Company is also director.

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
From related parties (Refer note 43)			
Orchid Hotel Pune Private Limited	-	11.04	87.19
Ilex Developers & Resorts Limited	7.39	-	13.50
Treeo Resorts Private Limited	4.88	9.88	13.44

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Cash and cash equivalent	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Balances with bank			
- In current accounts	196.08	223.60	421.13
- Cheques in hand	143.74	1.50	11.71
- Cash in hand	18.77	43.33	21.32
Total	**358.59**	**268.43**	**454.17**

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Other bank balance	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Margin money in fixed deposits with banks (Refer note 20.1)	81.12	49.19	44.59
Balance with Bank includes dividend payment account	-	-	2.10
Total	**81.12**	**49.19**	**46.69**

20.1 Fixed deposit is given as margin money to the Bank for guarantee given by bank to Government and other authorities on behalf of the Company.

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Loans and advances (Unsecured considered good, unless otherwise stated)	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Security deposit	7.20	13.88	14.62
Loans and advances to subsidiaries	0.14	-	-
Loans and advances to employees	1.44	0.02	1.58
Total	**8.78**	**13.90**	**16.20**

Notes on standalone financial statements for the year ended 31st March 2018

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

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Other current financial assets (Unsecured, considered good unless otherwise stated)	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Interest receivable from:			
- Wholly owned subsidiary on loans and advances (Refer note 43.3)	3.62	3.62	175.25
- on bank deposits and Investments	6.30	40.64	31.41
Recoverable from bank	-	-	322.56
Deposit with prothonotary and senior master (Refer note 22.1)	-	6,231.40	3,050.24
Total	**9.92**	**6,275.66**	**3,579.46**

22.1 The deposits with prothonotary and senior master in earlier years represents amounts deposited with Hon'ble Bombay High Court on account of pending dispute with a lender, which has been disposed off during the year and the deposits and interest earned thereon has been utilised for repayment of underlying loan.

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Other current assets (Unsecured, considered good unless otherwise stated)	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Advances to vendors	349.12	91.56	67.87
Balances with Government authorities	30.24	15.15	14.00
Prepaid expenses	172.26	130.43	139.80
Total	**551.62**	**237.14**	**221.67**

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Share capital	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Authorised capital			
34,250,000 (31st March 2017: 34,250,000 1st April 2016: 34,250,000) Equity Shares of ₹ 10 each.	3,425.00	3,425.00	3,425.00
Total	**3,425.00**	**3,425.00**	**3,425.00**
Issued, subscribed and paid-up			
23,584,058 (31st March 2017 23,584,058 1st April 2016 23,584,058) Equity Shares of ₹ 10 each, fully paid up	2,358.41	2,358.41	2,358.41
Add: 862,500 Forfeited equity shares (31st March 2017: 862,500 & 1st April 2016: 862,500) (amounts originally paid up).	58.85	58.85	58.85
Total	**2,417.26**	**2,417.26**	**2,417.26**

24.1 Terms/ rights attached to equity shares :

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, there are no preferential amounts inter-se equity shareholders. The distribution will be in proportion to the number of equity shares held by the shareholders (after due adjustment in case shares are not fully paid up).

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

Particulars	31st March 2018		31st March 2017	
	Number of Shares	Amount	Number of Shares	Amount
Number of shares at the beginning	23,584,058	2,358.41	23,584,058	2,358.41
Add: Shares issued during the year	-	-	-	-
Less: Buyback during the year	-	-	-	-
Number of shares at the end	23,584,058	2,358.41	23,584,058	2,358.41

Notes on standalone financial statements for the year ended 31st March 2018

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

24.2 Details of shareholders holding more than 5 % shares

Particulars	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	Number of Shares	% held	Number of Shares	% held	Number of Shares	% held
Kamat Holdings Private Limited	1,500,000	6.36	1,500,000	6.36	1,500,000	6.36
Plaza Hotels Private Limited	3,535,545	14.99	3,535,545	14.99	3,535,545	14.99
Indira Investments Private Limited	1,563,794	6.63	1,563,794	6.63	1,563,794	6.63
Dr. Vithal V. Kamat	3,254,990	13.80	3,254,990	13.80	3,254,990	13.80
Clearwater Capital Partners Cyprus Limited	-	-	5,152,315	21.85	7,299,811	30.95

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Other equity	As at 31st March 2018	As at 31st March 2017
Capital reserve (Refer Note 25.1)		
As per last Balance sheet	13.87	13.87
Capital redemption reserve (Refer Note 25.2)		
As per last Balance sheet	266.50	266.50
Securities premium (Refer Note 25.3)		
As per last Balance sheet	14,986.74	14,986.74
Amalgmation reserve (Refer note 25.4)		
As per last Balance sheet	280.06	280.06
Surplus/ (deficit) in the Statement of Profit and loss (Refer note 25.5)		
As per last balance sheet	(26,940.41)	(30,744.69)
Add: Profit/(loss) for the year	3,789.03	3,817.95
Less: Other adjustments	-	(13.67)
Closing balance	**(23,151.38)**	**(26,940.41)**
Other comprehensive income		
As per last balance sheet	14.16	-
Add: Movement in OCI (Net) during the year	(3.90)	14.16
Closing balance	**10.26**	**14.16**
Total	**(7,593.95)**	**(11,379.08)**

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

25.2 Capital redemption reserve is credited by amount set aside for redemption of preference shares .

25.3 Securities premium account is used to record the premium on issue of equity shares. The same is utilised in accordance with the provisions of The Companies Act, 2013.

25.4 In terms of the Bombay High Court Order dated 13th January, 2012 the amalgamation reserve is not available for distribution as dividend by the Company.

25.5 Surplus / (Deficit) in Statement of Profit and Loss represent net loss remaining after all intra reserve allocations.

Notes on standalone financial statements for the year ended 31st March 2018

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

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Borrowings	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Non-current borrowings			
Secured			
Term loans (Refer note 26.1(a))			
- From banks (Refer Note 26.1(a), 26.1(b) and 26.1(d))	988.65	12,618.58	19,093.30
- From others (Refer Note 26.1(a) and 26.1(b))	31,815.67	34,601.36	31,369.18
Unsecured			
- Term loans from others (Refer note 26.1(c))	1,371.00	-	-
- Inter-corporate loan (Refer note 26.2)	1,253.46	-	-
	35,428.78	47,219.94	50,462.48
Less: Current maturities of long term loans	20,336.58	12,532.86	16,947.07
Less: Interest accrued and due (Refer note 31)	95.99	4,306.71	5,252.41
Total	**14,996.21**	**30,380.37**	**28,263.00**

26.1 Details of security provided and terms of repayment

(a) Term loan from banks and others [loans assigned by banks to ARC's on settlement] aggregating to ₹ 29,372.90 lakhs (As at 31st March 2017: ₹ 35,426.06 lakhs & As at 1st April 2016: ₹ 36,658.86 lakhs) are secured by (i) First ranking pari-passu charge on lands at "The Orchid" at Vile Parle (East) (owned by Plaza Hotels Private Limited) together with hotel buildings and all appurtenances thereon; (ii) First / second ranking pari-passu mortgage on Company's immovable property being Hotel "VITS" at Andheri (East); (iii) First/ second charge by way of hypothecation of movable fixed assets and current assets of the Company; (iv) Credit card receivables on pari-passu basis; (v) Equitable mortgage of hotel property at Lotus Goa [exclusive to one lender]; (vi) Pledge of equity shares of the Company held by promoters and promoter companies, pledge of certain equity shares of Orchid Hotels Pune Private Limited (subsidiary) and Plaza Hotels Private Limited (related party) and entire equity shares of Kamats Restaurants (India) Private Limited, Fort Jadhavgadh Hotels Private Limited, Mahodadhi Palace Private Limited, ILEX Developers and Resorts Limited and Kamat Holiday Resorts (Silvassa) Limited; and (vii) Corporate guarantee of subsidiaries, joint venture entity and Plaza Hotels Private Limited and personal guarantee of Dr. Vithal Kamat and Mr. Vikram Kamat.

(b) Term loans from banks and others [loans assigned by Bank to ARC's and NBFC on settlement] aggregating to ₹ 3,406.42 lakhs (As at 31st March 2017: ₹ 7,480.75 lakhs & As at 1st April 2016: ₹ 8,542.20 lakhs) is secured by (i) First ranking pari-passu charge on lands at "The Orchid" at Vile Parle (East) (owned by Plaza Hotels Private Limited) together with hotel buildings (245 rooms) and all appurtenances thereon; (ii) Credit card receivables of Orchid (245 rooms) and VITS, Mumbai; (iii) Personal guarantees of Dr. Vithal Kamat and Mr. Vikram Kamat; and (iv) Post dates cheques and undertaking to pay 50% of sale proceeds of certain assets in case of sale of those assets.

(c) Term loan is secured by pledge of equity shares of the Company held by the promoter and promoter companies.

(d) Bank loan includes, loan of ₹ 3.47 lakhs (As at 31st March 2017: ₹ 6.42 lakhs & As at 1st April 2016: ₹ 9.01 lakhs) taken for vehicle which is secured by hypothecation of the vehicle for which loan is taken.

26.2 Above inter corporate loan is repayable by 31st March, 2020 or earlier on availability of funds with the Company. As per the terms of the agreement it is not payable in next 12 months as at balance sheet date, hence same is classified under long term borrowing.

26.3 Based on repayment schedules for borrowings [including as per settlement agreement or One Time Settelment sanctioned by various lenders as referred in note 26.4 below], following is maturity profile of term loans from banks and others [assigned loans].

Particulars	Maturity Profile	
	Next 1 year	**2-5 Years**
Term loan from banks	988.33	0.14
Term loan from others	19,348.25	14,996.07
Total	**20,336.58**	**14,996.21**

26.4 Settlement of outstanding loan with ARC's and one time settlement with banks

(a) The Company had borrowed funds in earlier years from banks, financial institutions and NBFCs. Due to financial crisis faced by economic slowdown and other factors, a Corporate Debt Restructuring (CDR) Scheme was sanctioned by the Corporate Debt Restructuring Empowered Group vide sanction letter dated 12th March, 2013. In respect of some of the restructured debts from some of the lenders, despite best efforts taken by the Company, the stipulated assets of the Company could not be sold and consequently the debts agreed to be repaid out of the above debts could not be repaid by 31st March, 2014 and hence CDR scheme failed and Company exited from the CDR scheme. Subsequently, most of the lenders have initiated recovery proceeding including under SARFAESI Act and the Negotiable Instrument Act,1881. One of the lender also filed recovery proceedings with Hon'ble Bombay High Court in which another lender having rights on escrow of credit card receivable intervened and finally the case was disposed off by consent.

Subsequently, most of these loans were assigned by the lenders to the Asset Reconstruction Companies (ARC). Company has negotiated with the Banks and ARC's and restructured the above debts through settlement agreements or one time settlements (OTS) of outstanding dues. Consequently, in respect of settlement made during the year interest of ₹ 1,567.69 lakhs has been written back (Previous year: ₹ 3,061.75 lakhs), which is disclosed as exceptional item in note 40.

Notes on standalone financial statements for the year ended 31st March 2018

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

(b) With respect to above settled loans, Company is discharging its obligations in terms of the settlement with the respective assignees. In the event of default of terms and conditions of the settlements, the Company may be liable to pay additional and penal interest and charges which are estimated to be ₹ 17,195.41 lakhs (As at 31st March 2017: ₹ 11,761.43 lakhs & As at 1st April 2016: ₹ Nil).

(c) With respect to case filed under Negotiable Instrument Act, 1881, since the relevant loan has been fully assigned, the Company is advised that the proceedings under the said Act will not survive. In the event these proceedings are held against the Company, it may be liable to pay penalty which is estimated at ₹ 1,000 lakhs (As at 31st March 2017: ₹ 1,000 lakhs & As at 1st April 2016: ₹ 1,000 lakhs). In view of the above, in the opinion of the management, no provision is considered necessary.

26.5 Loans guaranteed by directors

Particulars*	**As at 31st March 2018**	**As at 31st March 2017**	**As at 1st April 2016**
Term loan from banks	985.18	12,612.16	19,084.29
Term loan from others	31,815.67	34,601.36	31,369.18
Term loan from others	**32,800.85**	**47,213.52**	**50,453.47**

*Including interest outstanding.

26.6 Continuing default in repayment of loan and interest at the year end is as given below:

Particulars	**As at 31st March 2018**		**As at 31st March 2017**		**As at 1st April 2016**	
	Amount*	**Period defaults**	**Amount**	**Period defaults**	**Amount**	**Period defaults**
Principal	494.00	1 day	7,117.76	1 - 1097 days	16,244.85	1 - 763 days
Interest	-	-	4,249.53	1 - 1097 days	5,330.48	1 - 763 days
Total	**494.00**		**11,367.29**		**21,575.33**	

* Out of this, amount of ₹ 250.00 lakhs has been repaid in the subsequent year before approval of accounts.

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Other financial liabilities	**As at 31st March 2018**	**As at 31st March 2017**	**As at 1st April 2016**
Outstanding club membership deposit	645.17	726.15	834.62
Deferred income on club deposits	19.60	25.22	19.60
Outstanding bond deposits	-	-	277.72
Security deposits	91.68	297.52	223.52
Deposit from related party (refer note 27.1)	18.47	16.49	14.73
Sales tax deferral loan	0.86	26.27	50.00
Deferred advance rentals on security deposits	50.72	240.99	275.60
Total	**826.50**	**1,332.64**	**1,695.79**

27.1 Security deposit received having carrying value of ₹ 80.00 lakhs as at 31st March 2018 (As at 31st March 2017: ₹ 80.00 lakhs; as at 31st April 2016: ₹ 80.00 lakhs) is interest free and is received against hotel property given by the Company under operation and management agreement. This deposit is received from an entity in which Company's director is also director.

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Provisions	**As at 31st March 2018**	**As at 31st March 2017**	**As at 1st April 2016**
Provision for leave benefits (Refer note 46)	204.67	174.25	141.91
Total	**204.67**	**174.25**	**141.91**

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Borrowings	**As at 31st March 2018**	**As at 31st March 2017**	**As at 1st April 2016**
Short term borrowings			
Working capital loan			
From bank			
- Cash credit facility (Refer Note 29.1)	-	-	772.43
Total	**-**	**-**	**772.43**

Notes on standalone financial statements for the year ended 31st March 2018

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

29.1 Working capital loan from a bank was secured by hypothecation of entire stock and book debts (excluding credit card receivables and receivables of 127 rooms - The Orchid Expansion) of the Company and second pari passu charge by mortgage of immovable property being Hotel "VITS" at Andheri (East), hypothecation of all movable assets thereat, pledge of shares and personal and corporate guarantees of certain promoter directors and entities. This loan had been assigned to ARC by the lender in the previous year [Also refer note 26.4].

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Trade payables	**As at 31st March 2018**	**As at 31st March 2017**	**As at 1st April 2016**
Outstanding dues of micro enterprises and small enterprises (Refer note 30.1).	56.29	25.02	24.62
Outstanding dues of creditors other than micro enterprises and small enterprises			
- Others	1,499.26	1,034.00	1,186.51
- Related parties (Refer note 43)	131.74	163.46	83.87
Total	**1,687.29**	**1,222.48**	**1,295.00**

30.1 The amount due to Micro, Small and Medium Enterprises as defined in the Micro, Small and Medium Enterprises Development Act (MSMED Act), 2006 has been determined to the extent such parties have been identified on the basis of information collected by the management. The disclosure relating to Micro, Small and Medium Enterprises is as under:

Particulars	**As at 31st March 2018**	**As at 31st March 2017**	**As at 1st April 2016**
Dues remaining unpaid at the year end:			
(a) The principle amount remaining unpaid to supplier as at the end of the accounting year	56.29	25.02	24.62
(b) The interest thereon remaining unpaid to supplier as at the end of the accounting year	23.73	19.51	15.91
(c) The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-	-
(d) Amount of interest due and payable for the year	4.22	3.60	2.14
(e) Amount of interest accrued and remaining unpaid at the end of the accounting year	23.73	19.51	15.91
(f) The amount of further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid	1.84	0.99	0.95

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Other financial liabilities	**As at 31st March 2018**	**As at 31st March 2017**	**As at 1st April 2016**
Current maturities of long term borrowings	20,336.58	12,532.86	16,947.07
Bank balance - book overdraft	-	-	5.69
Interest accrued but not due - on bond deposits	-	257.45	240.00
Interest accrued and due:			
- To banks and others	95.99	4,306.70	5,252.41
- On bond deposit	46.22	-	-
Unpaid dividend	-	-	2.10
Current maturity of outstanding membership deposit	1,312.38	1,160.85	25.67
Interest payable to MSME creditors	23.73	19.51	15.91
Creditors for capital expenditure (Refer note 30.1)	-	-	20.64
Security deposit	21.19	23.44	79.42
Other payables *	736.67	1,017.29	439.79
Total	**22,572.76**	**19,318.10**	**23,028.70**

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

Notes on standalone financial statements for the year ended 31st March 2018

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

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Other current liabilities	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Advance from customers	419.75	498.96	244.00
Income received in advance (membership fees)	74.47	73.86	73.86
Income received in advance (others)	36.27	59.46	33.15
Statutory dues	1,576.26	1,088.17	2,683.22
Total	**2,106.75**	**1,720.45**	**3,034.23**

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Provision	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Provision for gratuity (Refer note 46((ii)(a))	188.18	134.08	96.57
Provision for leave benefit (Refer note 46((ii)(b))	93.12	71.93	57.41
Total	**281.30**	**206.01**	**153.98**

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Revenue from operations	Year ended 31st March 2018	Year ended 31st March 2017
Sale of services		
Room income	10,029.18	9,846.45
Food and banquet income	5,434.99	4,372.48
Sub-total	**15,464.18**	**14,218.93**
Other operating revenue		
Income from time share business	321.20	325.17
Management and consultancy fees	96.84	125.51
Swimming and health club	102.11	114.42
Conference and banqueting services	235.00	139.48
Internet and telephone	9.47	13.22
Laundry services	57.32	59.48
Car rental and transportation	128.92	92.61
Membership fees	91.68	114.91
Miscellaneous services	102.17	109.85
License fees - Shops and offices	136.15	153.33
Income from export incentive	107.19	-
Sub-total	**1,388.05**	**1,247.98**
Total	**16,852.23**	**15,466.91**

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Other income	Year ended 31st March 2018	Year ended 31st March 2017
Interest income on financial assets at amortised cost		
- on fixed deposit with bank	13.03	19.05
- on others	246.12	270.19
- on loan to subsidiary	-	88.16
Dividend income on investment in mutual fund - current investment	0.43	0.43
Exchange gain (net)	7.73	10.67
Net gain on fair value changes of financial assets measured at amortised cost	7.17	9.62
Liabilities and provisions on longer required written back	179.28	240.50
License fees - other properties	175.21	256.67
Miscellaneous income	47.41	100.23
Total	**676.38**	**995.51**

Notes on standalone financial statements for the year ended 31st March 2018

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

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Cost of food and beverage consumed	Year ended 31st March 2018	Year ended 31st March 2017
Opening stock	157.14	161.16
Add: Purchases (Refer note 36.1)	1,687.28	1,294.18
	1,844.42	1,455.34
Less: Closing stock	175.06	157.14
Total	**1,669.36**	**1,298.20**

36.1 Purchases are net of recoveries of ₹184.01 lakhs (Previous year ₹ 368.94 lakhs).

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Employee benefit expenses	Year ended 31st March 2018	Year ended 31st March 2017
Salaries, wages and bonus	3,356.77	2,976.71
- Contribution to provident and other funds	179.12	158.74
- Provision for gratuity (Refer note 46(ii)(a))	57.64	86.71
- Provision for leave benefit (Refer note 46(ii)(b))	44.06	46.87
Staff welfare expenses	309.41	277.62
Total	**3,947.00**	**3,546.65**

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Finance costs	Year ended 31st March 2018	Year ended 31st March 2017
Interest expense at effective interest rate on borrowings which are measured at amortized cost	1,132.19	1,959.91
Other borrowing costs	303.45	788.12
Fair value of changes in financial liabilities (measured at amortized cost)	44.30	20.34
Total	**1,479.94**	**2,768.37**

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Other expenses	Year ended 31st March 2018	Year ended 31st March 2017
Operating expenses		
Heat, light and power	1,089.53	1,343.91
Rent (Refer note 47(b))	130.01	118.56
Licenses, rates and taxes	405.24	413.17
Repairs expenses for		
- Buildings	182.13	197.41
- Plant and Machinery	279.54	292.18
- Others	114.83	127.76
Expenses on apartments and boards	600.08	561.69
Replacements of crockery, cutlery, linen, etc.	307.76	161.73
Washing and laundry expenses	188.73	140.55
Water charges	158.90	141.71
Band and music expenses	129.20	67.95
Management license fees and royalty	222.63	218.81
Sub total (A)	**3,808.58**	**3,785.43**
Sales and marketing expenses		
Advertisement, publicity and sales promotion	156.48	311.84
Travel agents' commission	462.06	363.81
Other commission and charges	119.04	97.37
Sub total (B)	**737.58**	**773.02**
Administrative and general expenses		
Communication expenses	116.98	96.29
Printing and stationery	53.91	75.33
Legal, professional and consultancy charges	368.64	360.87
Directors' sitting fees	7.16	3.77
Travelling and conveyance	242.26	181.57

Notes on standalone financial statements for the year ended 31st March 2018

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

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Other expenses	Year ended 31st March 2018	Year ended 31st March 2017
Insurance	49.01	42.31
Bad debts	19.19	1.36
Provision for expected credit loss	279.97	66.50
Auditors' remuneration (Refer Note 39.1)	18.85	11.00
Sales Tax/Vat /Luxury Tax etc. including assessment dues	12.54	83.09
Loss on sale / discard of property, plant and equipment (Net)	78.40	18.21
Miscellaneous expenses	108.55	82.08
Sub total(C)	**1,355.46**	**1,022.36**
Total(A+B+C)	**5,901.62**	**5,580.81**

39.1

Auditors' remuneration	Year ended 31st March 2018	Year ended 31st March 2017
Statutory audit fees	16.10	9.00
Tax audit fees	2.75	0.20
Other services	-	1.45
Out of pocket expenses	-	0.30
GST /Service Tax (net of Input tax credit availed)	-	0.05
Total	**18.85**	**11.00**
Note: Above fees are excluding of goods and service tax (GST) of ₹ 3.37 lakhs (In previous year service tax of ₹ 1.65 lakhs).		

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Exceptional items - Income/(expense)	Year ended 31st March 2018	Year ended 31st March 2017
Income:		
Interest provision no longer required written back on settlement of loan dues (net of incidental expenses related to settlement of loan dues) - (Refer note 40.1)	1,567.69	2,576.37
Reduction in liability towards long term and short term borrowings (Refer note 40.1)	-	485.38
Provision for doubtful advance written back (Refer note 12.2)	280.00	-
Sub-total	**1,847.69**	**3,061.75**
Expense:		
Loss on discard of property, plant and equipment (Refer note 40.2)	95.79	-
Provision for impairment of investment in joint venture entity (Refer note 10.2)	-	533.00
Provision for doubtful advance (Refer note 12.2)	-	698.74
Sub-total	**95.79**	**1,231.74**
Total income/(expense)	**1,751.90**	**1,830.01**

40.1 Provision for finance cost written back and reduction in liability towards long term & short term borrowing represents write back of interest provision made in earlier years and write back of loan liability on settlement with the lenders of the Company.

40.2 Loss on discard of property, plant and equipment represents discard of fixed assets on pre-termination of lease arrangement at one of the hotel property taken under operating lease.

41 Capital Commitments, Other Commitments and Contingent Liabilities

41.1 Capital Commitments.

(a) Estimated amount of capital commitments to be executed on capital accounts and not provided for ₹ 39.62 lakhs as at 31st March 2018 (31st March 2017: ₹ 5.63 lakhs; As at 1st April 2016: ₹ 4.49 lakhs) (Net of advances).

41.2 Other significant commitments.

(a) The Company had put up Sewage Treatment Plant ("STP") on an adjacent immovable property owned by Kamats Amusements Private Limited in earlier years for its Orchid Hotel, Mumbai and continues to use the same. The Company is obliged to compensate appropriately to the owner for such use of the property. The modalities of the same being worked out.

Notes on standalone financial statements for the year ended 31st March 2018

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

(b) Undertaking given by the Company in favour of a lender to repay the loan to the extent of 50% of sale proceeds from certain specified assets (in case sold) - Expected obligation of ₹ 1,236.82 lakhs (As at 31st March 2017: ₹ 1,236.82 lakhs & As at 1st April 2016: ₹ 1,236.82 lakhs) as per management estimate.

41.3 Contingent liability (to the extent not provided for)

	Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
(i)	**Claims against the Company/ disputed liabilities not acknowledged as debts**			
	Disputed income tax demands	-	809.97	400.69
	Disputed indirect tax demands	399.49	593.40	285.13
	Open import licenses	45.58	43.96	41.53
	Claims against the Company not acknowledged as debts (including employee claims)	126.20	187.01	688.76
	Cases filed by certain lenders under the Negotiable Instrument Act, 1881 (Also refer 26.4(c))	1,000.00	1,000.00	-
(ii)	**Guarantees given by the Company**			
	Corporate guarantee given to a bank in respect of credit facilities availed by subsidiary company	20,434.00	20,434.00	20,434.00
	Counter guarantee issued by the Company to secure bank guarantee obtained by the Company	38.12	38.12	38.12
	Corporate guarantee given to a bank in respect of credit facilities availed by Joint Venture Company	1,000.00	1,000.00	1,000.00
	Other money for which the Company is contingently liable			
	Contingencies in respect of assigned loan (Also refer 26.4(b))	17,195.41	11,761.43	-

In respect of (i) above, future cash outflows (including interest/ penalty, if any) are determinable on receipt of judgement from tax authorities / labour court/ settlement of claims or non-fulfilment of contractual obligations. Further, the Company does not expect any reimbursement in respect of above. In respect of (ii) above, Company does not expect any cash outflow till such time contractual obligations are fulfilled by the companies for which guarantees are issued (Also refer note 2.4 (x) of financial statements).

42 Company information

Sr. No.	Name of the entity	Principal place of business	Proportion of ownership (%)		
			As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
	Wholly owned subsidiaries				
(i)	Orchid Hotels Pune Private Limited	India	100%	100%	100%
(ii)	Fort Jadhav Gadh Hotels Private Limited	India	100%	100%	100%
(iii)	Mahodadhi Palace Private Limited	India	100%	100%	100%
(iv)	Kamats Restaurants (India) Private Limited	India	100%	100%	100%
(v)	Orchid Hotels Eastern (I) Private Limited (Formerly known as Green Dot Restaurants Private Limited)	India	100%	100%	100%
	Joint venture entity				
(vi)	Ilex Developers & Resorts Limited	India	32.92%	32.92%	32.92%

Notes on standalone financial statements for the year ended 31st March 2018

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

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

43.1 Name and relationships of related parties:

(a)	Subsidiaries and joint ventures	Refer note 42 above
(b)	Entities in which Director/ KMP and relatives have significant influence (Only where there are transactions)	Vithal Kamat (Huf), Kamat Holdings Private Limited, Indira Investments Private Limited, Plaza Hotels Private Limited, Kamat Development Private Limited, Sangli Rubber Agro Private Limited (formerly known as Venketesh Hotels Private Limited), Kamats Club Private Limited, Kamburger Foods Private Limited, Kamats Super Snacks Private Limited, Karaoke Amusements Private Limited, Vishal Amusments Private Limited, Kamats Holiday Resorts (Silvassa) Limited, Kamat Eateries Private Limited, Savarwadi Rubber Agro Private Limited (Formerly known as Kamats Amusements Private Limited), Kamats Development Private Limited, Talent Hotels Private Limited, Treeo Resort Private Limited, Nagpur Ecohotel Private Limited, VITS Hotels (Bhubaneshwar) Private Limited
(c)	Key Management Personnel [KMP]:	Dr. Vithal V. Kamat- Executive Chairman & Managing Director
(d)	Relatives of KMP (Only where there are transactions)	Mrs. Vidya V. Kamat [Wife of KMP] Mr. Vikram V. Kamat [Son of KMP] Ms. Vidita V.Kamat [Daughter of KMP] Mr. Vishal V. Kamat - [Son of KMP. Also Chief Executive Officer of Fort Jadhav Gadh, an unit of the Company]
(e)	Additional related parties ('KMP's) as per Companies Act, 2013 with whom transactions have taken place during the year	Mrs. Smita Nanda, Chief Financial Officer (W.e.f. 26th May 2017) Mr. G. N. Shenoy, Chief Financial Officer (Upto 5th June 2016 due to demise)

43.2 Transactions with related parties

Nature of transaction	Name of the party	Year ended 31st March 2018	Year ended 31st March 2017
Management fees - income	Orchid Hotels Pune Private Limited	96.84	125.51
Reimbursement of staff deputation expenses		96.33	-
Deposits given		-	1.00
Deposits repaid		-	1.00
Reimbursement of expenses (Payment made by Company on behalf)		5.24	-
Management fees - expense	Mahodadhi Palace Private Limited	37.21	35.12
Interest income on advance given		-	88.16
Loans and advance recovered		280.00	128.92
Reimbursement of expenses (Payment made by Company on behalf)		0.04	-
Provision for doubtful advance		-	698.74
Provision for doubtful advance written back		280	-
Management fees - income	Ilex Developers & Resorts Limited	9.32	8.37
Deposit refunded		-	48.00
Rent expense for leasehold land	Plaza Hotels Private Limited	100.61	93.63
Sale of fixed assets	Treeo Resort Private Limited	-	2.44
Remuneration paid (Also refer note 44)	Dr.Vithal V.Kamat	105.57	105.60
Royalty expenses		4.63	5.82
Remuneration paid	Mr.Vishal V.Kamat	56.12	29.01
Consultancy fees	Ms. Vidita Kamat	5.40	4.05

Notes on standalone financial statements for the year ended 31st March 2018

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

43.3 Related party outstanding balances:

Nature of transaction	Name of the party	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Investment in equity shares	Orchid Hotels Pune Private Limited	9,327.75	9,327.75	9,327.75
Provision for impairment of investment		9,327.75	9,327.75	9,327.75
Advance given		19,646.40	19,646.40	19,646.40
Provision for impairment of advance given		19,646.40	19,646.40	19,646.40
Trade receivable		-	11.04	87.19
Advance received for services		107.12	-	-
Corporate guarantee given on behalf of subsidiary		21,500.00	21,500.00	21,500.00
Corporate guarantee provided by subsidiary company on behalf of Company		24,755.00	24,755.00	24,755.00
Advance given	Mahodadhi Palace Private Limited	418.74	698.74	827.66
Provision for impairment of advance given		418.74	698.74	-
Interest receivable on above advance		3.62	3.62	175.25
Amount recoverable		0.04	-	-
Trade payable		36.70	20.27	17.27
Investment in equity shares		1.00	1.00	1.00
Investment in equity shares	Ilex Developers & Resorts Limited	533.00	533.00	533.00
Provision for impairment of investment		533.00	533.00	-
Security deposits given (Gross carrying value)		80.00	80.00	80.00
Trade receivable		7.16	-	13.50
Advance received		-	49.80	-
Corporate guarantee given by Company on behalf of Joint Venture		1,000.00	1,000.00	1,000.00
Security given for loan taken by Company (to the extent of outstanding loan)		799.68	799.68	799.68
Deposit given under business contract agreements	Plaza Hotels Private Limited	8,000.00	8,000.00	8,000.00
Trade payable		87.13	130.94	50.82
Undertaking given towards repayment of loan		1,837.92	1,837.92	1,837.92
Undertaking given towards repayment of loan	Talent Hotels Private Limited	2,375.26	2,375.26	2,375.26
Amount receivable	Treeo Resort Private Limited	4.88	9.88	13.44
Amount recoverable	Fort Jadhav Gadh Hotels Private Limited	0.03	-	-
Investment in equity shares		1.00	1.00	1.00
Amount recoverable	Kamats Restaurants (India) Private Limited	0.04	Nil	Nil
Investment in equity shares		1.00	1.00	1.00
Amount recoverable	Orchid Hotels Eastern (I) Private Limited (Formerly known as Green Dot Restaurants Private Limited)	0.02	Nil	Nil
Investment in equity shares		1.00	1.00	1.00
Royalty payable	Dr.Vithal V. Kamat	7.91	12.26	15.78
Pledge of shares held in the Company for term loan taken by the Company	Nagpur Ecohotel Private Limited	1,371.00	-	-
Pledge of shares held in the Company for term loan taken by the Company	VITS Hotels (Bhubaneshwar) Private Limited	1,371.00	-	-

Notes on standalone financial statements for the year ended 31st March 2018

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

Notes:

(a) Transactions with related parties and outstanding balances at the year end are disclosed at transaction value.

(b) In addition to above transactions,

(i) Mahodadhi Palace Private Limited, Kamats Restaurant (India) Private Limited, Fort Jadhav Gadh Hotels Private Limited, Ilex Developers & Resorts Limited, Plaza Hotels Private Limited, Kamat Holiday Resorts (Silvassa) Limited, Dr. Vithal V. Kamat, Mr. Vikram V. Kamat have given joint corporate guarantee amounting to ₹ 38,583.00 lakhs (As at 31st March 2017: ₹ 38,583.00 lakhs & As at 1st April 2016: ₹ 38,583.00 lakhs) to banks/ others for credit facilities availed by the Company [Share of respective entities/ persons is not quantifiable].

(ii) KMP, relatives of KMP and entities in which KMP has significant influence have pledged equity shares held by them in the Company and other investments to the lenders for borrowing of the Company.

43.4 Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. In case of advances given to two wholly owned subsidiaries, Company has waived interest. For the year ended 31st March 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. Company has recorded impairment of receivable and investment in two subsidiaries and a joint venture entity in earlier years. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

44 Breakup of compensation to key managerial personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

(a) Compensation to KMP as specified in para 43.1 (c) above:

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Short term employee benefits	96.07	96.10
Post employment benefits	9.50	9.50
Other long term benefits*	-	-
Termination benefits	-	-
Total	**105.57**	**105.60**

(b) Compensation to KMP as specified in para 43.1 (e) above:

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Short term employee benefits	35.35	7.69
Post employment benefits	0.93	0.37
Other long term benefits*	-	-
Termination benefits	-	-
Total	**36.28**	**8.06**

*As the liabilities for defined benefit plans are provided on actuarial basis for the Company as a whole, the amounts pertaining to Key Management Personnel are not included.

45 Earnings per share

Particulars	As at 31st March 2018	As at 31st March 2017
Basic and diluted earning per share		
Profit attributable to the equity holders of the Company	3,789.03	3,817.95
Weighted average number of equity shares	2,35,84,058	2,35,84,058
Face value per equity share (₹)	10	10
Basic and diluted earnings per share	16.07	16.19

Notes on standalone financial statements for the year ended 31st March 2018

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

46 Disclosure relating to employee benefits as per Ind AS 19 'Employee Benefits'

(i) Disclosures for defined contribution plan

The Company has certain defined contribution plans. The obligation of the Company is limited to the amount contributed and it has no further contractual obligation. Following is the details regarding Company's contributions made during the year:

Particulars	2017-2018	2016-2017
Provident fund	72.36	62.28
Pension fund	9.11	7.19
Employees' state insurance (ESIC)	97.65	89.28
Total	**179.12**	**158.74**

(ii) Disclosures for defined benefit plans

(a) Defined benefit obligations - Gratuity (funded)

The Company has a defined benefit gratuity plan for its employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, every employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the employee's length of service and salary at retirement age. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn) for each completed year of service as per the provisions of the Payment of Gratuity Act, 1972. The scheme is funded with insurance companies in the form of a qualifying insurance policy.

Risks associated with plan provisions

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follows:

Investment/ asset risk	All plan assets are maintained in a trust fund managed by a public sector insurer viz; LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The Company has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The Company has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured. Also interest rate and inflation risk are taken care of.
Interest rate risk	The defined benefit obligation is calculated using a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
Salary inflation risk	Higher than expected increases in salary will increase the defined benefit obligation.
Demographic risk	This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria.

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

Particulars	2017 - 2018	2016 - 2017
Discount Rate (per annum)	7.30%	6.95%
Rate of Return on Plan Assets (per annum)	7.30%	6.95%
Salary Escalation (per annum)	6.50%	6.50%
Attrition Rate (per annum)	10.00%	10.00%
Mortality Rate	As per Indian Assured lives Mortality (2006-08)	

Notes on standalone financial statements for the year ended 31st March 2018

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

Changes in the present value of obligations	**2017 - 2018**	**2016 - 2017**
Liability at the beginning of the year	257.26	239.42
Interest cost	16.42	17.33
Current service cost	43.75	40.20
Benefits paid	(11.17)	(56.96)
Past service cost	17.25	-
Actuarial (gain)/loss on obligations	(6.38)	17.27
Liability at the end of the year	**317.14**	**257.26**

Changes in the fair value of plan assets	**2017 - 2018**	**2016 - 2017**
Opening fair value of plan assets	123.19	142.85
Expected return on plan assets	8.65	11.29
Employers contribution	9.11	28.97
Benefits paid	(11.17)	(56.96)
Actuarial gain/(loss) on plan assets	(0.81)	(2.96)
Closing fair value of plan assets	**128.97**	**123.19**

Table of recognition of actuarial gain / loss	**2017 - 2018**	**2016 - 2017**
Actuarial (gain)/ loss on obligation for the year	(6.38)	17.27
Actuarial gain/ (loss) on assets for the year	(0.81)	(2.96)
Actuarial (gain)/ loss recognised in Statement of Profit and Loss	**(5.57)**	**20.23**

Breakup of actuarial (gain) /loss:	**2017 - 2018**	**2016 - 2017**
Actuarial loss/(gain) arising from change in demographic assumption	-	-
Actuarial loss arising from change in financial assumption	(4.79)	12.49
Actuarial loss/(gain) arising from experience	(1.59)	4.78
Total	**(6.38)**	**17.27**

Amount recognized in the Balance Sheet:	**As at 31st March 2018**	**As at 31st March 2017**	**As at 1st April 2016**
Liability at the end of the year	317.15	257.26	239.42
Fair value of plan assets at the end of the year	(128.97)	(123.19)	(142.85)
Amount recognized in Balance Sheet	**188.18**	**134.08**	**96.57**

Expenses recognized in the Income Statement:	**2017 - 2018**	**2016 - 2017**
Current service cost	43.75	40.20
Interest cost	16.42	17.33
Expected return on plan assets	(8.65)	(11.29)
Past Service Cost	17.25	-
Actuarial (Gain)/Loss	(5.57)	20.23
Expense/ (income) recognized in		
- Statement of Profit and Loss	57.64	86.71
- Other comprehensive income	5.57	(20.23)

Balance sheet reconciliation	**As at 31st March 2018**	**As at 31st March 2017**	**As at 1st April 2016**
Opening net liability	134.08	96.57	112.24
Expense recognised in Statement of Profit and Loss & OCI	63.21	66.48	9.50
LIC contribution during the year	(9.11)	(28.97)	(8.03)
LIC funded	-	-	(17.14)
Amount recognized in Balance Sheet	**188.18**	**134.08**	**96.57**
Non current portion of defined benefit obligation	-	-	-
Current portion of defined benefit obligation	188.18	134.08	96.57

Notes on standalone financial statements for the year ended 31st March 2018

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

Sensitivity analysis of benefit obligation (Gratuity)			
Particulars	**2017-18**	**2016-17**	**2015-16**
a)Impact of change in discount rate			
Present value of obligation at the end of the year			
a) Impact due to increase of 0.5%	309.40	250.54	233.34
b) Impact due to decrease of 0.5%	325.30	264.35	245.82
b)Impact of change in salary growth			
Present value of obligation at the end of the year			
a) Impact due to increase of 0.5%	324.86	264.30	246.20
b) Impact due to decrease of 0.5%	309.64	250.74	233.33
c)Impact of change in withdrawal rate			
Present value of obligation at the end of the year			
a) withdrawal rate Increase	316.21	255.48	239.47
b) withdrawal rate decrease	317.84	259.35	239.27
d)Impact of change in mortality rate			
Present value of obligation at the end of the year			
a) Impact due to increase	317.18	257.28	239.46

Maturity profile of defined benefit obligation

Particulars	**As at 31st March 2018**	**As at 31st March 2017**	**As at 1st April 2016**
Weighted average duration of the defined benefit obligation	5.61	5.90	5.98
Projected benefit obligation	317.14	257.26	239.42
Accumulated benefit obligation	237.67	189.01	176.73

Pay-out analysis

Particulars	**As at 31st March 2018**	**As at 31st March 2017**	**As at 1st April 2016**
1st year	66.43	41.98	40.59
2nd year	39.87	34.26	28.82
3rd year	41.81	31.75	33.14
4th year	29.96	34.46	29.51
5th year	34.39	23.67	32.60
Next 5 year pay-out (6-10 year)	139.67	113.61	105.52

(b) Compensated absences (non-funded)

As per the policy of the Company, obligations on account of benefit of accumulated leave of an employee is settled only on termination / retirement of the employee. Such liability is recognised on the basis of actuarial valuation following Project Unit Credit Method.

Risks associated with plan provisions

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follows:

Interest rate risk	The defined benefit obligation is calculated using a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
Salary inflation risk	Higher than expected increases in salary will increase the defined benefit obligation.
Demographic risk	This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria.

Notes on standalone financial statements for the year ended 31st March 2018

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

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

Particulars	2017-18	2016-17
Discount rate	7.30%	6.95%
Salary escalation	6.50%	6.50%
Attrition rate	10.00%	10.00%
Mortality rate	Indian Assured lives Mortality (2006-08)	Indian Assured lives Mortality (2006-08)

Changes in the present value of obligations:

Particulars	2017-18	2016-17
Liability at the beginning of the year	246.19	199.32
Interest cost	15.89	12.92
Current service cost	63.56	49.33
Benefits paid	(66.88)	(61.12)
Actuarial (gain)/loss on obligations	31.49	45.74
Liability at the end of the year	**290.25**	**246.19**

Table of recognition of actuarial (gain) / loss :

Particulars	2017-18	2016-17
Actuarial (gain)/loss on obligation for the year	31.49	45.74
Actuarial (gain)/loss on assets for the year	-	-
Actuarial (gain)/loss recognized in Statement of Profit and Loss	**31.49**	**45.74**

Breakup of actuarial (gain) /loss:

Particulars	2017-18	2016-17
Actuarial loss/(gain) arising from change in demographic assumption	-	2.22
Actuarial loss arising from change in financial assumption	6.85	4.87
Actuarial loss/(gain) arising from experience	24.64	38.65
Total	**31.49**	**45.74**

Amount recognized in the Balance Sheet:

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Liability at the end of the year	290.25	246.19	199.32
Fair value of plan assets at the end of the year	-	-	-
Amount recognized in the Balance Sheet	**290.25**	**246.19**	**199.32**

Expenses recognized in the Statement of profit and loss:

Particulars	2017-18	2016-17
Current service cost	63.56	49.33
Interest cost	15.89	12.92
Expected return on plan assets	-	-
Benefits paid	(66.88)	(61.12)
Actuarial (gain)/loss	31.49	45.74
Expense recognized in Statement of Profit and Loss	**44.06**	**46.87**

Notes on standalone financial statements for the year ended 31st March 2018

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

Balance Sheet Reconciliation

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Opening net liability	246.19	199.32	219.19
Expense recognised in Statement of Profit and Loss	44.06	46.87	(19.87)
Amount recognized in Balance Sheet	**290.25**	**246.19**	**199.32**
Non-current portion of defined benefit obligation	204.67	174.26	141.91
Current portion of defined benefit obligation	85.58	71.93	57.41

Sensitivity analysis of benefit obligation (Leave encashment)

Particulars	2017-18	2016-17	2015-16
a)Impact of change in discount rate			
Present value of obligation at the end of the year			
a) Impact due to increase of 0.5%	284.09	241.02	194.70
b) Impact due to decrease of 0.5%	296.69	251.61	204.31
b)Impact of change in salary growth			
Present value of obligation at the end of the year			
a) Impact due to increase of 0.5%	296.71	251.62	204.35
b) Impact due to decrease of 0.5%	284.02	240.95	194.61
c)Impact of change in withdrawal rate			
Present value of obligation at the end of the year			
a) withdrawal rate Increase	288.99	245.22	199.49
b) withdrawal rate decrease	291.77	247.39	199.23
d)Impact of change in mortality rate			
Present value of obligation at the end of the year			
a) Impact due to increase	290.23	246.18	199.32

Maturity profile of defined benefit obligation

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Weighted average duration of the defined benefit obligation	5.21	5.20	5.95
Projected benefit obligation	268.77	228.07	185.11

Pay-out analysis

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
1st year	64.10	53.82	43.75
2nd year	39.93	35.74	23.67
3rd year	37.18	31.19	22.53
4th year	29.72	28.59	20.43
5th year	28.28	22.91	20.89
Next 5 year pay-out (6-10 year)	106.70	91.65	73.12

Notes on standalone financial statements for the year ended 31st March 2018

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

47 Leases

(a) Asset given under operating lease

The Company has given shops, office premises and hotel property under operating lease under non-cancellable operating leases. The Company has recognised Management fees income of ₹ 190.05 lakhs during the year (Previous year: ₹ 217.94 lakhs). The contractual future minimum lease payment receivables in respect of these leases are:

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Not later than one year	146.17	186.77	184.10
Later than one year and not later than five years	64.15	195.11	143.53
Later than five years	-	-	-
	210.32	**381.88**	**327.63**

Total contingent rent income (in the form of management fees) recognised during the year ₹ 9.32 lakhs (Previous year: ₹ 8.37 lakhs).

Note:

(i) With respect to hotel property given under operation and management agreement, Company gets management fees calculated based on percentage of revenue earned by the lessee from this property. Since future revenue is based on percentage of revenue which is contingent in nature, other disclosures as required under Ind AS 17 - 'Leases' are not quantifiable with respect to such arrangement as at the balance sheet date.

(b) Asset taken under operating lease

The Company has taken hotel property under operating lease under non-cancellable operating leases. The Company has recognised management fees/ rent expenses of ₹ 167.22 lakhs during the year (Previous year: ₹ 151.02 lakhs). The contractual future minimum lease payable in respect of these leases are:

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Not later than one year	37.40	38.91	48.08
Later than one year and not later than five year	86.27	100.68	162.09
Later than five year	260.55	283.54	306.44
	384.22	**423.13**	**516.61**

Total contingent rent expenses (in the form of royalty and management fees) recognised during the year ₹ 127.36 lakhs (Previous year: ₹ 119.66 lakhs).

Note:

(i) With respect to hotel properties/ land taken under lease/ operation and management arrangement, Company is liable to pay management fees/ rent based on gross operating profits, revenue etc. Since future revenue is contingent in nature, other disclosures as required under Ind AS 17 - 'Leases' are not quantifiable with respect to such arrangements as at the balance sheet date.

48 Disclosure pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 186(4) of the Companies Act, 2013 in respect of loans and advances in the nature of loans:

Loans and advances in the nature of loans given to subsidiaries are for business purposes. Refer note 43 for corporate guarantee given and investment in securities:

Name of the entity	As at 31st March 2018		As at 31st March 2017	
	Maximum amount outstanding	Balance outstanding	Maximum amount outstanding	Balance outstanding
Wholly owned subsidiaries				
Orchid Hotels Pune Private Limited	196.46	196.46	196.46	196.46
Mahodadhi Palace Private Limited	698.74	418.74	827.66	698.74
Fort Jadhav Gadh Hotels Private Limited	0.03	0.03	-	-
Kamats Restaurants (India) Private Limited	0.04	0.04	-	-
Orchid Hotels Eastern (India) Private Limited (Formerly known as Green Dot Restaurants Private Limited)	0.02	0.02	-	-

Notes on standalone financial statements for the year ended 31st March 2018

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

49 Note on Cash Flow Statement

i) The aggregate amount of outflow on account of direct taxes paid is ₹ 62.05 lakhs (previous year ₹ 108.06 lakhs).

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

Particulars	Opening Balance	Cash Flows	Non-cash Changes	Closing Balance
	1st April 2017	2017-2018		31st March 2018
Borrowings (including interest dues)	47,496.89	(11,910.40)	87.75	35,498.74
Total	**47,496.89**	**(11,910.40)**	**87.75**	**35,498.74**

50 Disclosures as required by Indian Accounting Standard (Ind AS) 108 - Operating Segments

There are no reportable segments under Ind AS-108 'Operating Segments' as the Company is operating only in the hospitality service segment, therefore, disclosures of segment wise information is not applicable. Further, no single customer represents 10% or more of the Company's total revenue during the year ended 31st March 2018 and 31st March 2017.

51 Going concern assumption

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, financial statements have been prepared on a going concern basis which contemplates realisation of assets and settlement of liabilities in the normal course of Company's business.

52 Financial instruments - Accounting classifications & fair value measurement

(a) Financial instruments by category

Sr. No.	Particulars	31st March 2018			31st March 2017			1st April 2016		
		Amortised Cost	FVTOCI	FVTPL	Amortised Cost	FVTOCI	FVTPL	Amortised Cost	FVTOCI	FVTPL
A	**Financial assets**									
(i)	Non-current investments	-	-	11.05	-	-	11.01	-	-	93.20
(ii)	Other non-current financial asset	1,769.04	-	-	1,681.85	-	-	2,434.78	-	-
(iii)	Trade receivables (net)	1,436.72	-	-	778.07	-	-	1,013.02	-	-
(iv)	Cash and cash equivalents	358.59	-	-	268.43	-	-	454.17	-	-
(v)	Other bank balances	81.12			49.19			46.69		
(vi)	Other current financial assets	9.92	-	-	6,275.66	-	-	3,579.46	-	-
(vii)	Investments	5.00	-	-	97.30	-	-	4.16	-	-
(viii)	Loans	8.78	-	-	13.90	-	-	16.20	-	-
	Total financial assets	**3,669.17**	**-**	**11.05**	**9,164.40**	**-**	**11.01**	**7,548.48**	**-**	**93.20**
B	**Financial liabilities**									
(i)	Non-current borrowings	14,996.21	-	-	30,380.37	-	-	28,263.00	-	-
(ii)	Other financial liabilities	826.50			1,332.64			1,695.79		
(iii)	Current borrowings	-	-	-	-	-	-	772.43	-	-
(iv)	Trade payables	1,687.29	-	-	1,222.48	-	-	1,295.00	-	-
(v)	Other current financial liabilities	22,572.76	-	-	19,318.10	-	-	23,028.70	-	-
	Total financial liabilities	**40,082.76**	**-**	**-**	**52,253.59**	**-**	**-**	**55,054.92**	**-**	**-**

FVTOCI - Fair Value Through Other Comprehensive Income

FVTPL - Fair Value Through Profit or Loss

Note: Above disclosure excludes investments (gross) in subsidiaries and joint venture amounting to ₹ 9,864.74 lakhs as on 31st March, 2018 (As at 31st March 2017: ₹ 9,864.74 lakhs and as at 1st April 2016: ₹ 9,864.74 lakhs) as these are valued at cost in accordance with Ind AS 27 - 'Separate Financial Statement'.

Notes on standalone financial statements for the year ended 31st March 2018

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

(b) Fair valuation techniques

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The management assessed that fair value of Trade receivables (net), Cash and cash equivalents, Other current financial assets, Current borrowings, Trade payables and Other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Further, the management has assessed that fair value will be approximate to their carrying amounts as they are priced to market interest rates on or near the end of reporting period.

(c) Fair value hierarchy

Financial assets and financial liabilities are measured at fair value in the financial statement and are grouped into three levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

(d) Financial assets/ liabilities measured at fair value

The following table represents the fair value hierarchy of assets and liabilities measured at fair value on a recurring basis.

Particulars	Level	31st March 2018		31st March 2017		1st April 2016	
		Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
Financial assets							
Non-current investments	Level 1	0.03	0.08	0.03	0.04	0.03	0.04
Non-current investments	Level 2	5.01	10.96	5.01	10.96	5.01	11.64
Total financial assets		**5.04**	**11.04**	**5.04**	**11.00**	**5.04**	**11.68**

(e) Fair value of instruments measured at amortised cost:

Particulars	Level	31st March 2018		31st March 2017		1st April 2016	
		Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
Financial assets							
Investment	Level 3	5.03	11.05	5.03	11.01	76.50	93.20
Loans	Level 3	1,769.04	1,769.04	1,681.85	1,681.85	2,434.78	2,434.78
Total financial assets		**1,774.07**	**1,780.09**	**1,686.88**	**1,692.86**	**2,511.28**	**2,527.98**
Financial liabilities							
Borrowings	Level 3	15,475.53	14,996.21	31,272.87	30,380.37	29,255.98	28,263.00
Other financial liabilities	Level 3	863.44	826.50	1,289.95	1,332.64	1,761.88	1,695.79
Total financial liabilities		**16,338.97**	**15,822.71**	**32,562.82**	**31,713.01**	**31,017.86**	**29,958.79**

Notes:

(i) The above disclosures are given only for non-current financial assets and non-current financial liabilities. Short term financial assets and current financial liabilities (investment, cash and cash equivalents, other receivables, trade payables and other current financial liabilities) represents the best estimate of fair value.

(ii) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

(iii) There have been no transfers between Level 1 and Level 2 for the years ended March 31, 2018, March 31, 2017 and April 1, 2016.

Notes on standalone financial statements for the year ended 31st March 2018

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

53 Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee reports regularly to the Board of Directors on its activities. The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by internal audit team. Internal audit team undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk;
- Market risk

(a) Credit risk :

Credit risk arises from the possibility that customers or counterparty to financial instruments may not be able to meet their obligations. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Credit risks arises from cash and cash equivalents, deposits with banks, financial institutions and others, as well as credit exposures to customers, including outstanding receivables.

The Company considers factors such as track record, size of institutions, market reputation and service standards to select banks with which balances and deposits are maintained. The balances and fixed deposits are generally maintained with the banks with whom the Company has regular transactions. Further, the Company does not maintain significant cash in hand other than those required for its day to day operations. Considering the same, the Company is not exposed to expected credit loss of cash and cash equivalent and bank balances.

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before entering into contract. Sale limits are established for each customer, reviewed regularly and any sales exceeding those limits require approval from the appropriate authority. There are no significant concentrations of credit risk within the Company.

(b) Liquidity risk :

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows to ensure it has sufficient cash to meet operational needs. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance and compliance with internal statement of financial position ratio targets.

(i) Maturities of financial liabilities:

The following are the remaining contractual maturities of financial liabilities at the reporting date:

Particulars	Less than 1 year	1 to 5 year	Above 5 years	Total
As at 31st March 2018				
Borrowings	-	14,996.21	-	14,996.21
Trade payables	1,687.29	-	-	1,687.29
Other financial liabilities	808.02	-	18.47	826.50
Other current financial liabilities	22,572.76	-	-	22,572.76
As at 31st March 2017				
Borrowings	-	30,380.37	-	30,380.37
Trade payables	1,222.48	-	-	1,222.48
Other financial liabilities	1,332.64	-	16.49	1,349.13
Other current financial liabilities	19,318.10			19,318.10
As at 1st April 2016				
Borrowings	-	28,263.00	-	28,263.00
Trade payables	1,295.00	-	-	1,295.00
Other financial liabilities	1,695.79	-	14.73	1,710.51
Other current financial liabilities	23,028.70			23,028.70

Notes on standalone financial statements for the year ended 31st March 2018

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

(c) Market risk

Market risk is the risk that the changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The pre dominant currency of the Company's revenue and operating cash flows is Indian Rupees (INR). Company has earnings in foreign currency. There is no foreign currency risk as there is no outstanding foreign currency exposure at the year end.

(d) Interest Rate Risk

The Company has taken term loans from bank and others (including loan assigned by banks on one time settlement). With respect to loans which are settled with banks or assigned to asset reconstruction companies aggregating to ₹ 31,183.04 lakhs as at 31st March 2018 (as at 31st March 2017 ₹ 33,701.36 lakhs and as at 1st April 2016 ₹ 29,770.40 lakhs), there is no interest payable. Other borrowings attracts fixed rate of interest. Therefore, there are no interest rate risks, since neither the carrying amount nor the future cash flows will fluctuate because of change in market interest rates.

54 Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern so, that they can continue to provide returns for shareholders and benefits for other stakeholders and maintain an optimal capital structure to reduce cost of capital. The Company manages its capital structure and make adjustments to, in light of changes in economic conditions, and the risk characteristics of underlying assets. In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define the capital structure requirements.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. The ratio is calculated as net debt divided by equity. Net debt is calculated as total borrowing (including current and non-current terms loans as shown in the balance sheet).

The Company monitors capital using 'Total Debt' to 'Equity'. The Company's Total Debt to Equity are as follows:

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Total debt*	35,332.79	42,913.23	45,982.50
Total capital (total equity shareholder's fund)	(5,176.69)	(8,961.82)	(12,780.25)
Net debt to equity ratio	(6.83)	(4.79)	(3.60)

* Total debt = Non-current borrowings + current borrowings + current maturities of non-current borrowings

55 Disclosure as required by Ind AS 101 - First time adoption of Indian Accounting Standards

(a) Basis of preparation

These are the Company's first financial statements prepared in accordance with Ind AS. For the periods up to and including the year ended 31 March 2017, the Company had prepared its financial statements in accordance with Indian GAAP.

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for the year ended 31st March 2018, together with the comparative period data as at and for the year ended 31st March 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1st April 2016 being the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1st April 2016 and the financial statements as at and for the year ended 31st March 2017 to Ind AS.

(b) Previous year figures have been regrouped/reclassified in IGAAP wherever necessary to confirm with financial statements prepared as per Ind AS.

(c) Exemption availed

"Ind AS 101 - First-time adoption of Indian Accounting Standards" allows first time adopters certain exemptions from the retrospective application of certain Ind AS. The Company has applied the following optional exemption:

(i) Deemed cost of property, plant and equipment, intangible asset and investment property

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment and intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous Indian GAAP and use that as its deemed cost as at the date of transition. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous Indian GAAP carrying value.

Notes on standalone financial statements for the year ended 31st March 2018

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

(ii) Business combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date. The Group elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

(iii) Investment in subsidiary and joint venture entity

Ind AS 101 permits a first-time adopter to continue previous GAAP carrying value for investment in equity instrument of subsidiaries, associates and joint ventures. Accordingly, the Company has elected to apply the said exemption.

(d) Estimates

The estimates at 1st April 2016 and at 31st March 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) except in respect of impairment of financial assets based on expected credit loss model where application of Indian GAAP did not require estimation.

The estimates used by the Company to present impairment of financial assets based on the expected credit loss model is in accordance with Ind AS which reflect conditions as at 1st April 2016, the date of transition to Ind AS and as of 31st March 2017.

(e) Reconciliation between previous India GAAP and Ind AS

Ind AS 101 requires the Company to reconcile the effects of the transition from Indian GAAP to Ind AS on the equity as at 1st April 2016 and 31st March 2017 and on the total comprehensive loss and cash flows for the year ended 31st March 2017:

(i) Reconciliation of equity as on 1st April 2016 (i.e. date of transition to Ind AS)

	Reference	Indian GAAP	Adjustments	Ind AS
ASSETS				
Non-current assets				
a) Property, plant and equipment	55(c)(i),55(f) (iii) & 55(f) (iv)	31,635.16	(1,399.08)	30,236.08
b) Intangible assets		29.78	-	29.78
c) Capital work-in-progress		10.23	-	10.23
d) Intangible assets under development		11.12	-	11.12
e) Investment property	55(c)(i) & 55(f) (iii)	-	1,157.28	1,157.28
f) Investments in subsidiaries & joint venture		537.00	-	537.00
g) Financial assets				
i) Investments	55(f) (ii)	86.55	6.65	93.20
ii) Loans and advances	55(f) (iv)	2,434.78	-	2,434.78
h) Deferred tax assets (Net)	55(f) (iv)	155.96	(59.56)	96.40
i) Income tax assets (Net)	55(f) (iv)	894.34	-	894.34
j) Other non current assets	55(f) (i) & 55(f) (iv)	6,552.33	(2,244.44)	4,307.89
(A)		**42,347.25**	**(2,539.15)**	**39,808.10**
Current assets				
a) Inventories		461.32	-	461.32
b) Financial assets				
i) Investments		4.16	-	4.16
ii) Trade receivables		1,013.02	-	1,013.02
iii) Cash and cash equivalents		454.17	-	454.17
iv) Bank balances other than (iii) above		46.69	-	46.69
v) Loans	55(f) (iv)	16.20	-	16.20
vi) Other current financial assets	55(f) (iv)	3,579.46	-	3,579.46
c) Other current assets	55(f) (iv)	221.67	-	221.67
(B)		**5,796.69**	**-**	**5,796.69**
TOTAL (A + B)		**48,143.94**	**(2,539.15)**	**45,604.79**

Notes on standalone financial statements for the year ended 31st March 2018

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

	Reference	Indian GAAP	Adjustments	Ind AS
EQUITY AND LIABILITIES				
Equity				
a) Equity share capital		2,417.26	-	2,417.26
b) Other equity		(13,585.02)	(1,612.50)	(15,197.52)
(A)		**(11,167.76)**	**(1,612.50)**	**(12,780.26)**
Liabilities				
Non-current liabilities				
a) Financial liabilities				
i) Borrowings	55(f) (i) & 55(f) (iv)	29,255.99	(992.99)	28,263.00
ii) Other financial liabilities	55(f) (i)	1,761.87	(66.08)	1,695.79
b) Provisions		141.91	-	141.91
(B)		**31,159.77**	**(1,059.07)**	**30,100.70**
Current liabilities				
a) Financial liabilities				
i) Short term borrowings		772.43	-	772.43
ii) Trade payables				
- Amount due to Micro and small enterprises		24.62	-	24.62
- Amount due to other than Micro and small enterprises	55(f) (iv)	1,270.38	-	1,270.38
iii) Other financial liabilities	55(f) (i) & 55(f) (iv)	22,896.29	132.42	23,028.71
b) Other current liabilities	55(f) (iv)	3,034.23	-	3,034.23
c) Provisions		153.98	-	153.98
(C)		**28,151.93**	**132.42**	**28,284.35**
TOTAL (A+B+C)		**48,143.94**	**(2,539.15)**	**45,604.79**

(ii) Reconciliation of equity as on 31st March 2017

	Reference	Indian GAAP	Adjustments	Ind AS
ASSETS				
a) Property, plant and equipment	55(c)(i),55(f) (iii) & 55(f) (iv)	30,479.79	(1,374.09)	29,105.70
b) Intangible assets		31.56	-	31.56
c) Capital work-in-progress		23.21	-	23.21
d) Intangible assets under development		11.12	-	11.12
e) Investment property	55(c)(i) & 55(f) (iii)	-	1,132.28	1,132.28
f) Investments in subsidiaries & joint venture		4.00	-	4.00
g) Financial assets				
i) Investments	55(f) (ii)	5.03	5.98	11.01
ii) Loans and advances	55(f) (iv)	1,681.85	-	1,681.85
h) Deferred tax assets (Net)	55(f) (iv)	167.17	(145.01)	22.16
i) Income tax assets (Net)	55(f) (iv)	1,045.57	-	1,045.57
j) Other non current assets	55(f) (i) & 55(f) (iv)	6,479.19	(2,326.45)	4,152.74
(A)		**39,928.49**	**(2,707.29)**	**37,221.20**
Current Assets				
a) Inventories		451.60	-	451.60
b) Financial assets		-		
i) Investments		97.30	-	97.30
ii) Trade receivables		778.07	-	778.07

Notes on standalone financial statements for the year ended 31st March 2018

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

	Reference	Indian GAAP	Adjustments	Ind AS
iii) Cash and cash equivalents		268.43	-	268.43
iv) Bank balances other than (iii) above		49.19	-	49.19
v) Loans	55(f) (iv)	13.90	-	13.90
vi) Other current financial assets	55(f) (iv)	6,275.66	-	6,275.66
c) Other current assets	55(f) (iv)	237.14	-	237.14
(B)		**8,171.29**	**-**	**8,171.29**
TOTAL (A + B)		**48,099.78**	**(2,707.29)**	**45,392.49**
EQUITY AND LIABILITIES				
Equity				
a) Equity share capital		2,417.26	-	2,417.26
b) Other equity		(9,527.33)	(1,851.75)	(11,379.08)
(A)		**(7,110.07)**	**(1,851.75)**	**(8,961.82)**
Liabilities				
Non-current liabilities				
a) Financial liabilities				
i) Borrowings	55(f) (i) & 55(f) (iv)	31,272.87	(892.50)	30,380.37
ii) Other financial liabilities	55(f) (i)	1,289.94	42.70	1,332.64
b) Provisions		174.25	-	174.25
(B)		**32,737.06**	**(849.80)**	**31,887.26**
Current liabilities				
a) Financial liabilities				
(i) Trade payables				
- Amount due to Micro and small enterprises		25.02	-	25.02
- Amount due to other than Micro and small enterprises		1,197.47	-	1,197.47
(ii) Other financial liabilities	55(f) (i) & 55(f) (iv)	19,323.84	(5.74)	19,318.10
b) Other current liabilities		1,720.45	-	1,720.45
c) Provisions		206.01	-	206.01
(C)		**22,472.79**	**(5.74)**	**22,467.05**
TOTAL (A+B+C)		**48,099.78**	**(2,707.29)**	**45,392.49**

(iii) Reconciliation of Statement of profit and loss for the year ended 31st March 2017

Particulars	Reference	Indian GAAP	Adjustments	Ind AS
Income				
Revenue from operations	55(f) (iv)	15,466.91	-	15,466.91
Other income	55(f) (iv) & 55(f) (ii)	985.91	9.61	995.51
Total income (A)		**16,452.81**	**9.61**	**16,462.42**
Expenses				
Cost of materials consumed		1,298.20	-	1,298.20
Employee benefit expenses	55(f) (v)	3,526.42	20.23	3,546.65
Finance costs	55(f) (i)	2,647.54	120.83	2,768.37
Depreciation and amortisation		1,255.46	-	1,255.46
Other expenses	55(f) (i)	5,497.52	83.29	5,580.81
Total expenses (B)		**14,225.14**	**224.35**	**14,449.49**
Profit/(Loss) before exceptional items & tax (A - B) (C)		**2,227.67**	**(214.74)**	**2,012.93**

Notes on standalone financial statements for the year ended 31st March 2018

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

Particulars	Reference	Indian GAAP	Adjustments	Ind AS
Exceptional item - Income / (expense)		**1,830.01**	-	**1,830.01**
Profit/(loss) before tax (D)		**4,057.68**	**(214.74)**	**3,842.95**
Tax expense:				
- Current tax		11.20	-	11.20
- Deferred tax	55(f) (vii)	(11.20)	24.99	13.79
		-	24.99	24.99
Profit/(loss) after tax (D - E)(F)		**4,057.68**	**(239.73)**	**3,817.95**
Other comprehensive income / (loss)				
a) (i) Items not to be reclassified subsequently to Statement of Profit and Loss				
- Remeasurement of defined benefit plans - gain/(loss)	55(f) (v)	-	20.23	20.23
(ii) Income tax relating to items that will be classified to profit or loss	55(f) (v)	-	(6.07)	(6.07)
b) (i) items that will be reclassified subsequently to statement of Profit and Loss		-	-	-
b) (ii) Income tax relating to items that will be classified to profit or loss		-	-	-
Other comprehensive income/ (loss) for the year (G)		**-**	**14.16**	**14.16**
Total comprehensive income/ (loss) for the year (F + G)		**4,057.68**	**(225.57)**	**3,832.11**

(iv) Equity reconciliation

Particulars	Reference	As at 31st March 2017	As at 1st April 2016
Total equity (shareholder's fund) as per Indian GAAP		**(7,110.08)**	**(11,167.76)**
Adjustments:			
Fair valuation of security deposit	55(f) (ii)	(2,282.65)	(2,210.91)
Fair valuation of club deposits	55(f) (i)	22.43	18.49
Fair valuation of investments	55(f) (ii)	5.98	6.64
Fair valuation of bond deposit	55(f) (i)	82.04	65.64
Amortisation of loan as per effective interest method	55(f) (i)	892.50	992.98
Amortisation of leasehold land	55(f) (ix)	(209.68)	(209.68)
Upfront fees on land	55(f) (i)	3.00	3.00
Sales tax deferral	55(f) (i)	(1.27)	-
Deferred tax on above Ind AS adjustment	55(f) (vi)	474.26	461.62
Prior period adjustments	55(f) (vii)	(838.35)	(740.26)
Total impact (shareholder's fund) as per Ind AS		**(8,961.82)**	**(12,780.25)**

(v) Reconciliation of total comprehensive income for the year ended 31st March 2017

Particulars	Reference	For the year ended 31st March 2017
Profit/(Loss) after tax as per IGAAP		**4,057.68**
Actuarial (gain)/loss on defined benefit liabilities reclassified to Other Comprehensive Income	55(f) (v)	(20.23)
Fair valuation of financial assets and liabilities	55(f) (ii)	(117.90)
Fair valuation of rental deposits (net)	55(f) (ii)	(53.74)
Fair valuation of sales tax deferral (government loan)	55(f) (ii)	(1.28)
Fair valuation of refundable membership deposits	55(f) (ii)	(15.25)
Interest on borrowings is now measured at amortised costs	55(f) (i)	(6.98)
Amortisation of upfront fees	55(f) (i)	(0.02)
Fair valuation of quoted investments	55(f) (ii)	0.68

Notes on standalone financial statements for the year ended 31st March 2018

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

Particulars	Reference	For the year ended 31st March 2017
Deferred tax on Ind AS adjustments	55(f) (vi)	73.08
Prior period adjustments(net)	55(f) (vii)	(98.08)
Total comprehensive Profit/(Loss) as per Ind AS (A)		**3,817.95**
Add: Other comprehensive income (net of tax) (B)	55(f) (v)	14.16
Total comprehensive income (A+B)		**3,832.11**

(vi) Impact of Ind AS on statement of cash flows for the year ended 31st March 2017

	Reference	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	55(f) (vii)	6,457.90	(3,227.94)	3,229.96
Net cash flow (used in) investing activities	55(f) (vii)	393.33	(100.69)	292.64
Net cash flow (used in) financing activities	55(f) (vii)	(7,036.96)	3,782.80	(3,254.16)
Net Increase / (Decrease) in Cash and Cash equivalents	55(f) (vii)	(185.73)	454.16	268.43

(f) Explanations for reconciliation of Balance Sheet as previously reported under IGAAP to Ind AS:

(i) Financial liabilities at amortised cost

Under Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognized in the statement of profit and loss over the tenure of the borrowing as part of the finance cost by applying the effective interest method. Under previous GAAP, these transaction costs were charged to statement of profit and loss on straight-line basis over the period of loan.

Under previous GAAP, financial liabilities were initially recognized at transaction price. Subsequently, any finance costs were recognized based on contractual terms. Under Ind AS, such financial instruments are initially recognized at fair value and subsequently carried at amortised cost determined using the effective interest rate. Any difference between transaction price and fair value affects profit and loss unless it quantifies for recognition as some other type of liability.

(ii) Financial assets at amortised cost

Under previous GAAP, financial assets and security deposits paid were initially recognized at transaction price. Under Ind AS, such financial instruments are initially recognized at fair value and subsequently carried at amortised cost determined using the effective interest rate. Any difference between transaction price and fair value affects profit and loss unless it quantifies for recognition as some other type of asset.

(iii) Investment property

Under the previous GAAP, investment properties were presented as part of property, plant and equipment. Under Ind AS, investment properties are required to be separately presented on the face of the balance sheet. There is no impact on the total equity or profit as a result of this adjustment.

(iv) Reclassification of assets and liabilities on transition to Ind AS

On transition to Ind AS, assets and liabilities are reclassified in accordance with classification and disclosure requirement as per Ind AS.

(v) Other comprehensive income

Under Ind AS, all items of income and expense recognized in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognized in profit or loss but are shown in the statement of profit and loss as ‘other comprehensive income’ includes re-measurements of defined benefit plans. concept of other comprehensive income did not exist under previous GAAP. Tax component on the gain/ (loss) on fair value of defined benefit plans have been transferred to the OCI under Ind AS.

(vi) Tax impact of above adjustments

Retained earnings and statement of profit and loss has been adjusted consequent to the Ind AS transition adjustments with corresponding impact to deferred tax, wherever applicable.

(vii) Rectification of error made in previous GAAP are adjustment in opening equity of 1st April 2016:

- Short depreciation provided in earlier years;
- Error in amortization of non-refundable membership deposit;
- Short interest expenses accounted on club/ bond deposit;
- Short deferred tax liability accounted in earlier years.

Notes on standalone financial statements for the year ended 31st March 2018

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

(viii) The impact of transition from Indian GAAP to IND AS on the Statement of Cash Flows is due to various reclassification adjustments recorded under IND AS in Balance Sheet, Statement of Profit & Loss and difference in the definition of cash and cash equivalents as per these two GAAP's.

(ix) Leasehold land considered as finance lease in previous GAAP is reclassified as operating lease and upfront fees paid is amortized over the period of lease.

(x) Other comprehensive income are considered and presented as per schedule III of Companies Act, 2013

As per our audit report of even date

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

Sandeep Shah
Partner
Membership No. : 37381

Place: Mumbai
Date: 28th May 2018

For and on behalf of the Board of Directors

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

S.S.Thakur
Director
(DIN : 00001466)

B.C.Kamdar
Director
(DIN: 01972386)

Amit Vyas
Company Secretary

Smita Nanda
Chief Financial Officer

Place: Mumbai
Date: 28th May 2018

KAMAT HOTELS (INDIA) LIMITED

Independent Auditors' Report

To,

The Members of

Kamat Hotels (India) Limited

1. **Report on the Consolidated Indian Accounting Standards (Ind AS) financial statements**

We have audited the accompanying consolidated Ind AS financial statements of **Kamat Hotels (India) Limited** (hereinafter referred to as "the Holding Company"), its five wholly owned subsidiaries (the Company and its subsidiaries together referred to as 'the Group') and Joint Venture Entity ('JV'), comprising the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

2. **Management's responsibility for the consolidated Ind AS financial statements**

The Holding Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group and JV in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

The respective Board of directors of companies included in the Group and JV are also responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and JV and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Board of Directors of the Holding Company.

3. **Auditor's responsibility**

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We have conducted the audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, 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 consolidated Ind AS financial statements 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 Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified opinion on the consolidated Ind AS financial statements.

4. **Basis of qualified opinion**

a) Refer note 31.1(d) of the notes to consolidated Ind AS financial statement, with respect to the one of the subsidiaries (Orchid Hotels Pune Private Limited), 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 from 1st October 2013 to 31st March 2018. Further, as stated in note 31.1(c) of the notes to Ind AS financial statement, 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 Ind AS financial statements.

b) Note 29.2 of the notes to consolidated Ind AS financial statement, with respect to the one of the subsidiaries (Orchid Hotels Pune Private Limited), regarding non-provision of interest liability of ₹ 134.00 lakhs (including for the year ended 31st March 2018 of ₹ 25.59 lakhs) in respect of total bank guarantee invoked by the ICICI bank. Had the provision for interest would have been made, loss for the year as per consolidated Ind AS financial statement would have increased by ₹ 25.59 lakhs, closing balance of negative other equity and current liabilities would have been increased by ₹134.00 lakhs in the consolidated Ind AS financial statement 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, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of financial position of the Group as at 31st March 2018, and its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

6. **Material uncertainty related to going concern**

Attention is invited to note 50(i) to (iii) of notes to consolidated Ind AS financial statement which indicates that there is material uncertainty related to continuity as going concern of Holding Company and two subsidiaries companies. Further, reference is also invited to note 50(iv) of the notes to the consolidated Ind AS financial statements. In consolidated Ind AS financial statements, material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern on account of accumulated losses, negative net worth and negative working capital in Holding company and two subsidiaries as mentioned in those notes. For preparation of standalone Ind AS

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 note 50(i) to (iii). In view of the above and in the opinion of management, the Consolidated Ind AS Financial Statements 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**

Attention is invited to,

a) Note 31.2 of notes to consolidated Ind AS financial statements regarding dispute over lease rent payable to Government agency by one subsidiary (Orchid Hotels Pune Private Limited). Pending outcome of the dispute, the subsidiary company has accounted for the liability amounting to ₹ 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) Note 40 of notes to consolidated Ind AS financial statements regarding exceptional item which includes provision for impairment of property, plant and equipment of the one of the subsidiaries (OHPPL) amounting to ₹ 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 the above matters.

8. **Other matters**

The comparative financial information for the year ended 31st March 2017 and the transition date opening balance sheet as at 1st April 2016 included in these consolidated Ind AS financial statements, are based on the previously issued statutory consolidated Ind AS financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March 2017 and 31st March 2016 dated 26th May 2017 and 28th May 2016 respectively expressed an unmodified opinion on those consolidated Ind AS financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of above matter.

9. **Report on other legal and regulatory requirements**

As required by Section 143 (3) of the Act, we report that:

a) Except in respect of matter specified in the Basis for Qualified Opinion paragraph above, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit for the aforesaid consolidated Ind AS statements.

b) Except for the effects of the matters described in the Basis of Qualified Opinion paragraph above, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (Including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

d) Except for the effects of the matters described in the Basis of Qualified Opinion paragraph above which is not in accordance with Ind AS 23 – Borrowing Cost, in our opinion, the consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company, subsidiaries and joint venture entity as on 31st March 2018 taken on record by the Board of Directors of the Holding Company and these companies, none of the directors are disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

f) The matters described in 'Basis of Qualified Opinion' paragraph, 'Material Uncertainty related to Going Concern' paragraph and para 7(a) of Emphasis of Matter, in our opinion may have an adverse impact on the functioning of the Group and JV.

g) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A" which is based on the auditor's reports of the companies included in the Group and JV incorporated in India.

h) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.

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

   i. The impact of pending litigations, if any, on its financial position has been disclosed in consolidated Ind AS financial statements - Refer note 29.2, 41.3 and 41.4.

   ii. The Group and JV did not have any long term contract including derivative contracts for which there are any material foreseeable losses.

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

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

Sandeep Shah
Partner
Membership No.: 37381

Place: Mumbai
Date: 28th May, 2018

Annexure A to the Independent Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31st March 2018, we have audited the internal financial controls over financial reporting of **Kamat Hotels (India) Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its JV which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

The internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. The Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the companies included in the group and JV, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal control over financial reporting criteria established by these companies, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Emphasis of matter

One of the subsidiary (OHPPL) need to further strengthen the (i) cash management procedure and (ii) accounting of trade receivable and balance confirmation process.

Our opinion on the internal financial control over financial reporting is not qualified in respect of the above matters.

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

Sandeep Shah
Partner
Membership No. 37381

Place: Mumbai
Date: 28th May, 2018

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2018

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

Particulars	Note no.	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
ASSETS				
A Non-current assets				
a) Property, plant and equipment	5	37,389.33	61,040.74	63,275.11
b) Intangible assets	6	57.54	34.49	33.15
c) Capital work-in-progress	7	48.21	42.95	29.07
d) Intangible assets under development	8	-	11.12	11.12
e) Investment property	9	1,107.29	1,132.28	1,157.27
f) Investments in joint venture	10	422.55	284.61	375.69
g) Financial assets				
i) Investments	11	11.05	11.12	93.29
ii) Loans and advances	12	1,925.81	1,868.82	1,799.58
h) Income tax assets (Net)	13	1,204.90	1,123.75	1,033.56
i) Other non current assets	14	3,997.24	4,157.75	4,309.90
(A)		**46,163.92**	**69,707.63**	**72,117.74**
B Current assets				
a) Inventories	15	344.69	521.80	560.32
b) Financial assets				
i) Investments	16	5.00	97.30	4.16
ii) Trade receivables	17	1,688.02	858.21	1,188.89
iii) Cash and bank balances	18	532.10	796.03	1,248.29
iv) Bank balances other than (iii) above	19	81.12	49.19	46.69
v) Loans	20	8.78	13.90	30.20
vi) Other current financial assets	21	649.31	6,910.26	4,038.67
c) Other current assets	22	802.44	315.00	272.12
(B)		**4,111.46**	**9,561.69**	**7,389.34**
TOTAL (A + B)		**50,275.38**	**79,269.32**	**79,507.08**
EQUITY AND LIABILITIES				
A Equity				
a) Equity share capital	23	2,417.26	2,417.26	2,417.26
b) Other equity	24	(18,825.83)	382.61	(3,787.65)
(A)		**(16,408.57)**	**2,799.87**	**(1,370.39)**
Liabilities				
B Non-current liabilities				
a) Financial liabilities				
i) Borrowings	25	16,882.06	31,969.65	29,470.33
ii) Other financial liabilities	26	826.49	1,332.64	1,695.78
b) Provisions	27	231.38	212.13	184.20
c) Deferred tax liabilities (Net)	28	1,493.22	259.34	234.02
(B)		**19,433.15**	**33,773.76**	**31,584.33**
C Current liabilities				
a) Financial liabilities				
i) Short term borrowings	29	72.38	139.13	914.02
ii) Trade payables	30			
- Amount due to Micro and small enterprises		56.29	25.02	24.62
- Amount due to other than Micro and small enterprises		1,977.18	1,527.85	1,655.62
iii) Other financial liabilities	31	42,511.60	38,986.81	42,409.07
b) Other current liabilities	32	2,348.91	1,808.14	4,131.63
c) Provisions	33	284.44	208.74	158.18
(C)		**47,250.80**	**42,695.69**	**49,293.14**
TOTAL (A+B+C)		**50,275.38**	**79,269.32**	**79,507.08**
Significant accounting policies and notes to financial statements	1 to 55			

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

As per our audit report of even date

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

Sandeep Shah
Partner
Membership No. : 37381

Place: Mumbai
Date: 28th May 2018

For and on behalf of the Board of Directors

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

S.S.Thakur
Director
(DIN : 00001466)

B.C.Kamdar
Director
DIN: 01972386

Amit Vyas
Company Secretary

Smita Nanda
Chief Financial Officer

Place: Mumbai
Date: 28th May 2018

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2018

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

	Particulars	Note no.	Year ended 31st March 2018	Year ended 31st March 2017
A	**Income**			
	Revenue from operations	34	19,873.55	18,320.64
	Other income	35	702.23	970.86
	Total income (A)		**20,575.78**	**19,291.50**
B	**Expenses**			
	Cost of materials consumed	36	2,045.40	1,634.86
	Employee benefit expenses	37	4,865.72	4,193.79
	Finance costs	38	1,574.40	2,816.33
	Depreciation and amortisation	5, 6 & 9	2,289.03	2,379.90
	Other expenses	39	7,962.30	7,105.73
	Total expenses (B)		**18,736.85**	**18,130.61**
C	**Profit/(Loss) before share of profit / (loss) of joint venture, exceptional items & tax (A - B) (C)**		**1,838.93**	**1,160.89**
D	Share of profit / (loss) from joint venture accounted for using equity method		137.93	(91.07)
E	**Profit/(Loss) before exceptional items & tax (C + D) (E)**		**1,976.86**	**1,069.82**
F	Exceptional item - Income/(expense) - net	40	(19,952.05)	3,061.76
G	**Profit/(loss) before tax (E - F)**		**(17,975.19)**	**4,131.58**
H	**Tax expense:**			
	- Current tax	28	8.98	11.21
	- Deferred tax charge/ (credit) (net)	28	1,235.53	(35.13)
	Total tax expense (H)		**1,244.51**	**(23.92)**
I	**Profit/(loss) after tax (G - H)(I)**		**(19,219.70)**	**4,155.50**
J	**Other comprehensive income / (loss)**			
	a) (i) Items not to be reclassified subsequently to Statement of Profit and Loss			
	- Remeasurement of defined benefit plans - gain/(loss)		9.59	20.82
	(ii) Income tax relating to items that will not be classified to profit or loss		1.67	(6.07)
	b) (i) Items that will be reclassified subsequently to statement of Profit and Loss		-	-
	(ii) Income tax relating to items that will be classified to profit or loss		-	-
	Other comprehensive income/ (loss) for the year (J)		**11.26**	**14.75**
K	**Total comprehensive income/ (loss) for the year (I + J)**		**(19,208.44)**	**4,170.25**
L	**Profit/(loss) for the year attributable to:**			
	a) To owners of parent		(19,208.44)	4,170.25
	b) To Non controlling interest		-	-
			(19,208.44)	**4,170.25**
M	**Total comprehensive income for the year:**			
	Profit for the year attributable to:			
	a) To owners of parent		(19,219.70)	4,155.50
	b) To Non controlling interest		-	-
	Other comprehensive income attributable to:			
	a) To owners of parent		11.26	14.75
	b) To Non controlling interest		-	-
	Basic and diluted earnings/ (loss) per share	45	**(81.49)**	**17.62**
	Equity shares [Face value of ₹ 10 each]			
	Significant accounting policies and notes to financial statement	1 to 55		

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

As per our audit report of even date

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

Sandeep Shah
Partner
Membership No. : 37381

Place: Mumbai
Date: 28th May 2018

For and on behalf of the Board of Directors

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

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DIN: 01972386

Amit Vyas
Company Secretary

Smita Nanda
Chief Financial Officer

Place: Mumbai
Date: 28th May 2018

KAMAT HOTELS (INDIA) LIMITED

Statement of changes in equity for the year ended 31st March 2018

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

(a) Equity share capital

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Opening balance	2,417.26	2,417.26	2,417.26
Changes in equity share capital during the year	-	-	-
Closing balance	**2,417.26**	**2,417.26**	**2,417.26**

(Refer note 23)

(b) Other equity

Particulars	Reserves & surplus					OCI*	Total other equity	Non Con-trolling Interests	Total Equity
	Capital Reserve	Capital Redemption Reserve	Securities Premium	Amalgmation Reserve	Retained Earnings	Remeasure-ment gain/ (loss) of defined benefit plan			
Balance as at 1st April, 2016	**13.87**	**266.50**	**14,986.74**	**280.06**	**(19,334.83)**	**-**	**(3,787.65)**	**-**	**(3,787.65)**
Profit/(Loss) for the year	-	-	-	-	4,155.50	-	4,155.50	-	4,155.51
Other comprehensive income/ (loss) for the year (net)	-	-	-	-	-	14.76	14.76	-	14.76
Balance as at 31st March 2017	**13.87**	**266.50**	**14,986.74**	**280.06**	**(15,179.33)**	**14.76**	**382.61**	**-**	**382.61**
Profit/(Loss) for the year	-	-	-	-	(19,219.70)	-	(19,219.70)	-	(19,219.70)
Other comprehensive income/ (loss) for the year (net)	-	-	-	-	-	11.26	11.26	-	11.26
Balance as at 31st March 2018	**13.87**	**266.50**	**14,986.74**	**280.06**	**(34,399.04)**	**26.02**	**(18,825.83)**	**-**	**(18,825.83)**

(Refer note 24)

*Other comprehensive income

As per our audit report of even date
For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No. 116560W/ W100149

Sandeep Shah
Partner
Membership No. : 37381

Place: Mumbai
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DIN: 01972386

Amit Vyas
Company Secretary

Smita Nanda
Chief Financial Officer

Place: Mumbai
Date: 28th May 2018

Consolidated Cash Flow Statement for the year ended 31st March 2018

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

	Particulars	Note	Year ended 31st March 2018	Year ended 31st March 2017
A.	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Profit /(loss) before taxes		(17,975.19)	4,131.58
	Adjustments for:			
	Finance cost		1,574.40	2,904.50
	Interest income		(275.72)	(432.62)
	Depreciation and amortization		2,289.03	2,379.90
	Bad debts written off		19.19	1.36
	Provision for doubtful debt and advances		345.02	127.76
	Loss on sale/ discard of fixed assets (Including exceptional item of ₹ 95.79 lakhs (Previous year: Nil)		277.82	18.21
	Dividend income		(0.43)	(0.43)
	Provision for impairment loss / capital advance WIP (exceptional item)		21,423.95	-
	Share of profit / (loss) accounted as per equity method		(137.93)	91.07
	Interest provision no longer required written back on settlement of loan dues (Net) (exceptional item)		(1,567.69)	(2,576.38)
	Investment written off		0.11	-
	Reduction in liability towards long term and short term borrowings (exceptional item)		-	(485.38)
	Other non-cash adjustment		-	(13.67)
	Operating profit / (loss) before working capital changes		**5,972.56**	**6,145.90**
	Financial and non financial			
	(Increase) / decrease in loans and advances and other current assets, trade receivables		4,510.90	(2,448.42)
	(Increase) / decrease in Inventories		177.11	38.52
	Increase / (decrease) in trade payable, financal & nlon fiancial liabilities and provisions		860.68	(757.71)
			11,521.25	**2,978.29**
	Adjustment for:			
	Direct taxes paid (including tax deducted at source) (net of refund)		(63.52)	(3.82)
	Net cash generated/ (used in) from operating activities…(A)		**11,457.73**	**2,974.47**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Purchase of fixed assets		(414.13)	(456.69)
	Sale of fixed assets		19.05	277.56
	Investment during the year		(1.26)	(12.25)
	Loan received back		33.88	128.94
	Interest income		307.99	420.93
	Capital advance given		-	(3.00)
	Dividend Income		0.43	0.43
	Proceeds from sale of investments		92.26	-
	(Increase)/decrease in bank balance [Current and non-current] (other than cash and cash equivalent)		(36.43)	15.75
			1.79	**371.67**
	Adjustment for:			
	Direct taxes (paid)/ refund received (including tax deducted at source) - (Net) on Interest income		(26.41)	(42.96)
	Net cash (used in) / from investing activities… (B)		**(24.62)**	**328.71**

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

Particulars	Note	Year ended 31st March 2018	Year ended 31st March 2017
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from long term borrowings		10,025.07	202.35
Repayment of long term borrowings		(18,018.61)	(2,886.58)
Proceeds from short term borrowings		341.50	252.89
Repayment of short term borrowing		(111.75)	(2.46)
Dividend paid		-	(2.10)
Interest paid (Including other borrowing cost)		(3,932.32)	(513.93)
Net cash (used in) / from financing activities… (C)		**(11,696.11)**	**(2,949.83)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)		**(263.00)**	**353.35**
Cash and cash equivalents at beginning of the year		794.32	440.97
Cash and cash equivalents at end of the year		531.32	794.32
Net increase / (decrease) in cash and cash equivalents		**(263.00)**	**353.35**

Notes:

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

(ii) Breakup of cash and cash equivalent is as given below:

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Cash and cash equivalent as per note 18	531.32	794.32	1,219.09
Less: bank balance - book overdraft	-	-	5.69
Less: Bank overdraft facility from bank	-	-	772.43
Net cash and cash equivalent	**531.32**	**794.32**	**440.97**

(iii) Refer note 49 for other cash flow statement related notes.

Significant accounting policies and notes to financial statements 1 to 55

Notes referred to herein above form an integral part of consolidated financial statements.

As per our audit report of even date

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

Sandeep Shah
Partner
Membership No. : 37381

Place: Mumbai
Date: 28th May 2018

For and on behalf of the Board of Directors

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DIN: 01972386

Amit Vyas
Company Secretary

Smita Nanda
Chief Financial Officer

Place: Mumbai
Date: 28th May 2018

Notes to consolidated financial statements for the year ended 31st March 2018

1. Background

Kamat Hotels (India) Limited (hereinafter referred to as 'the Parent Company', 'the Company' or 'Holding Company') is a public Company domiciled in India.Holding company together with its wholly owned subsidiary ('subsidiaries') is referred to as "the Group". The Group's shares are listed on two stock exchanges in India. The Group is in the hospitality business. Currently, it has hotels in the states of Maharashtra (Mumbai, Pune, Nashik, Murud), Goa (Benaulim) and Orissa (Puri, Konark).

The financial statements of the Group for the year ended 31st March 2018 were approved and adopted by board of directors of the Group in their meeting held on 28th May, 2018.

2. Basis of preparation, principles of consolidation and equity accounting, Critical accounting estimates and judgements, Significant accounting policies and Recent accounting pronouncements

2.1. **Principles of consolidation**

(a) Subsidiaries

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of that entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intra-Group transactions, balances and unrealised gains on transactions between entities within the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and the Consolidated Balance Sheet respectively.

(b) Joint Venture

Joint ventures are joint arrangements whereby the parties that have joint control of the arrangements have rights to the net assets and obligations for the liabilities, relating to the arrangement. Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the Consolidated Balance sheet.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in the Consolidated Statement of Profit and Loss, and the Group's share of other comprehensive income of the investee in Other Comprehensive Income. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealised gains on transactions between the Group and its Joint Ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group. The carrying amount of equity accounted investments are tested for impairment.

The financial statements of subsidiaries, joint ventures and associates consolidated are drawn upto the same reporting date as that of the Holding Company.

(c) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity. When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in Other Comprehensive Income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in Other Comprehensive Income are reclassified to the Statement of Profit and Loss. If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in Other Comprehensive Income are reclassified to the Statement of Profit and Loss where appropriate

(d) Goodwill

i. Goodwill comprises the portion of the purchase price for an acquisition that exceeds the Group's share in the identifiable assets, with deductions for liabilities, calculated on the date of acquisition.

ii. Goodwill arising from the acquisition of associates and joint ventures is included in the carrying value of the investment in associates and joint ventures.

iii. Goodwill is deemed to have an indefinite useful life and is reported at acquisition value with deduction for accumulated impairments. An impairment test of goodwill is conducted once every year or more often if there is an indication of a decrease

Notes to consolidated financial statements for the year ended 31st March 2018

in value. The impairment loss on goodwill is reported in the statement of profit and loss. The impairment assessment is based on value in use. The recoverable amount is calculated based on value in use which has been determined based on business plans that have been approved by management for internal purposes. Key assumptions used for calculation of value in use are Earnings before interest and taxes (EBIT), Discount rate, Growth rates and Capital expenditures.

(e) The subsidiaries considered in consolidated financial statements and its country of incorporation is as tabulated below:

Sr. no.	Name of the entity	Proportion of interest (including beneficial interest) / voting power (either directly/ indirectly through subsidiary)		
		As at 31st March 2018	**As at 31st March 2017**	**As at 01st April 2016**
	Subsidiary Companies			
1	Orchid Hotels Pune Private Limited	100%	100%	100%
2	Kamat Restaurants (India) Private Limited	100%	100%	100%
3	Fort Jadhavgadh Hotels Private Limited	100%	100%	100%
4	Mahodadhi Palace Private Limited	100%	100%	100%
5	Orchid Hotel Eastern (India) Private Limited (Formerly known as Green Dot Restaurants Private Limited)	100%	100%	100%
	Jointly Controlled Entity			
6	Ilex Developers & Resorts Limited	32.92%	32.92%	32.92%

Note: All subsidiary companies and joint venture entity are incorporated in India.

2.2. Statement of compliance with Ind AS

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

For all periods up to and including the year ended 31st March 2017, the Group had prepared its consolidated financial statements in accordance with the Accounting Standards notified under Section 133 of the Companies Act, 2013 read together with the Companies (Accounts) Rules 2014 (referred as "Indian GAAP"). These are the Group's first annual financial statements prepared complying in all material respects with the Ind AS notified under Section 133 of the Companies Act, 2013.

The consolidated financial statements comply with Ind AS notified by the Ministry of Corporate Affairs ('MCA'). The Group has consistently applied the accounting policies used in the preparation of its opening Ind AS Balance Sheet at 1st April 2016 throughout all periods presented, as if these policies had always been in effect and are covered by Ind AS 101 "First-time adoption of Indian Accounting Standards''. The transition was carried out from Indian GAAP which is considered as the previous GAAP, as defined in Ind AS 101. The reconciliation of effects of the transition from Indian GAAP on the equity as at 1st April 2016 and 31st March 2017 and on the net profit and cash flows for the year ended 31st March 2017 is disclosed in note 55 to these consolidated financial statements.

2.3. Functional and presentation of currency

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

2.4. Fair value measurement

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

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

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

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

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

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

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

Level 3 – unobservable inputs for the asset or liability

Notes to consolidated financial statements for the year ended 31st March 2018

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

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

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

2.5. **Use of significant accounting estimates, judgements and assumptions**

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

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

i) Property, plant & equipment and Intangible assets

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

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

ii) Impairment of financial assets

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

iii) Contingencies

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

iv) Income taxes

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

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

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

vi) Loyalty programme

The Group estimates the fair value of points awarded under the Loyalty programme based on past use of points by customer and expect use in future for loyalty points.

vii) Going concern

Material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern on account of accumulated losses, negative net worth and negative working capital in Holding company and two subsidiaries. For preparation of standalone Ind AS 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 note 50(i) to 50(iv). In view of the above and in the opinion of management, the Consolidated Ind AS Financial Statements of the Group have also been prepared on a going concern basis.

Viii) Impairment review of Goodwill

There is no carrying value of goodwill under Ind AS. The carrying value of goodwill as per Previous GAAP has been charged against opening reserves on the date of transition to Ind AS.

Notes to consolidated financial statements for the year ended 31st March 2018

ix) Impairment of non-financial assets

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

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

3. Significant Accounting Policies

3.1. **Presentation and disclosure of consolidated financial statement**

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

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

3.2. **Property, Plant and Equipment and Depreciation**

Recognition and measurement

Under the previous GAAP, property, plant and equipment were carried at historical cost less depreciation and impairment losses, if any. On transition to Ind AS, the Group has availed the optional exemption under Ind AS 101 and accordingly it has used the carrying value as at the date of transition i.e. 1st April 2016 as the deemed cost of the property, plant & equipment under Ind AS.

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

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

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

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

Depreciation and useful lives

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

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

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

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

De-recognition

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

3.3. **Intangible assets and amortisation**

Recognition and measurement

Under the previous GAAP, intangible assets were carried at historical cost less amortization and impairment losses, if any. On transition to Ind AS, the Group has availed the optional exemption under Ind AS 101 and accordingly it has used the carrying value as at the date of transition i.e. 1st April 2016 as the deemed cost of the intangible assets under Ind AS.

Notes to consolidated financial statements for the year ended 31st March 2018

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

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

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

Amortization and useful lives

Computer softwares are amortized in 10 years on straight line basis. Amortisation methods and useful lives are reviewed at each financial year end and adjusted prospectively.

In case of assets purchased during the year, amortization on such assets is calculated on pro-rata basis from the date of such addition

3.4. **Investment property and Depreciation**

On transition to Ind AS i.e. 1st April 2016, the Group has re-classified certain items from Property, Plant and Equipment to Investment Property. For the same, Group has elected to use the exemption available under Ind AS 101 to continue the carrying value for such assets as recognised in the financial statements as at the date of transition to Ind ASs, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (01st April 2016)

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

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

Depreciation and useful lives

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

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

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

3.5. **Inventories**

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

3.6. **Revenue recognition**

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

(i) Revenue comprises of sale of rooms, banquets, food & beverages and allied services relating to hotel operations. Revenue is recognised upon rendering of service. Sales and services are recorded inclusive of excise duty (wherever applicable) and net of goods and service tax (upto 30th June, 2017), sales tax, service tax, luxury tax and discounts. Revenue yet to be billed is recognised as unbilled revenue.

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

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

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

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

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

Notes to consolidated financial statements for the year ended 31st March 2018

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

(viii) Income from rentals are recognized as an income in the statement of profit and loss on a straight-line basis over the lease term except where scheduled increase in rent compensates the Group with expected inflationary costs.

(ix) Export incentives / benefits

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

3.7. **Government grants**

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

3.8. **Foreign currency transaction**

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

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

3.9. **Employee benefits**

- Short term employee benefits

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

- Post-employment benefits& other long term benefits

a. Defined contribution plan

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

b. Post-employment benefit and other long term benefits

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

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

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

The interest cost on defined benefit obligation and expected return on plan assets is recognised under finance cost.

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

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

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

3.10. **Borrowing cost**

Borrowing costs (net of interest income on temporary investments) that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the respective asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Ancillary cost of borrowings in respect of loans not disbursed are carried forward and accounted as borrowing cost in the year of disbursement of loan.

Notes to consolidated financial statements for the year ended 31st March 2018

All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest expenses calculated as per effective interest method, exchange difference arising from foreign currency borrowings to the extent they are treated as an adjustment to the borrowing cost and other costs that an entity incurs in connection with the borrowing of funds.

3.11. **Leases**

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

Where Group is lessee

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

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

Where Group is lessor

Assets acquired on leases where a significant portion of risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rental are charged to statement of profit and loss on straight-line basis except where scheduled increase in rent compensate the lessor for expected inflationary costs.

3.12. **Taxes on income**

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

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

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

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

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

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

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

3.13. **Cash and cash equivalent**

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

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

3.14. **Cashflow statement**

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

Notes to consolidated financial statements for the year ended 31st March 2018

3.15. **Provisions, contingent liabilities,contingent assets**

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

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

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

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

3.16. **Earnings per share**

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

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

3.17. **Financial instruments**

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

3.17.1. **Financial assets**

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

Classification of financial assets

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

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

All other financial assets are subsequently measured at fair value.

Effective interest method

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

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

Investments in equity instruments at FVTOCI

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

A financial asset is held for trading if:

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

Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Group recognizes loss allowances using the expected credit loss (ECL) model based on 'simplified approach' for the financial assets which are not fair valuedthrough profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equalto lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the twelve month ECL, unlessthere has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amountof expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required tobe recognized is recognized as an impairment gain or loss in statement of profit and loss.

De-recognition of financial asset

The Group de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On de-recognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

3.17.2. **Financial liability and equity instrument**

Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs. Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Notes to consolidated financial statements for the year ended 31st March 2018

However, financial liabilities that arise when a transfer of a financial asset does not qualify for de-recognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Group that are designated by the Group as at fair value through profit or loss are recognised in profit or loss.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability or (where appropriate) a shorter period, to the gross carrying amount on initial recognition.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

Commitments to provide a loan at a below-market interest rate

Commitments to provide a loan at a below-market interest rate are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

Notes to consolidated financial statements for the year ended 31st March 2018

Compound financial instruments

The liability component of a compound financial instrument is recognised initially at fair value of a similar liability that does not have an equity component. The equity component is recognised initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and the equity components, if material, in proportion to their initial carrying amounts.

Subsequent to the initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest rate method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Reclassification

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Groupreclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

De-recognition of financial liabilities

The Group de-recognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in profit or loss.

4. New standard issued but not effective and hence not adopted

The following standards issued / modified by MCA become effective w.e.f. 1st April 2018.

Particulars	Effective date
New Ind AS issued *	
Ind AS 115 – Revenue from contracts with customers	1st April 2018
Modification to existing Ind AS *	
Ind AS 12 – Income Taxes	1st April 2018
Ind AS 21 – The effects of changes in foreign exchange rates	1st April 2018
Ind AS 28 – Investments in associates and joint ventures	1st April 2018
Ind AS 40 – Investment property	1st April 2018
Ind AS 112 – Disclosure of interest in other entities	1st April 2018

* Does not include modification to existing other Ind AS due to issue of new Ind AS.

The Group is assessing the potential impact of above amendments on the financial statements. Management presently is of the view that it would not have a material impact on the financial statements.

Notes to consolidated financial statements for the year ended 31st March 2018

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

5	Property, plant and equipment	Freehold Land	Leasehold Land (Financial lease)	Building (Refer note 5.4)	Leasehold Improvements (Refer note 5.3 & 5.4)	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Total
	Tangible assets									
	Gross carrying value									
	Deemed cost as at 1st April, 2016	2,561.08	361.82	6,768.70	49,007.72	4,163.41	330.29	47.11	35.00	63,275.11
	Additions during the year 2016-17		-	2.81	274.29	87.79	27.28	-	16.92	409.10
	Deletions during the year 2016-17	-	-	259.40	-	14.35	1.78	21.48	1.11	298.11
	Balance as at 31st March, 2017	**2,561.08**	**361.82**	**6,512.11**	**49,282.01**	**4,236.85**	**355.79**	**25.63**	**50.81**	**63,386.10**
	Additions during the year 2017-18	-	-	-	10.23	232.15	31.78	-	26.22	300.39
	Deletions during the year 2017-18	-	-	0.74	114.83	264.12	6.66	4.18	1.03	391.55
	Balance as at 31st March, 2018	**2,561.08**	**361.82**	**6,511.37**	**49,177.42**	**4,204.89**	**380.91**	**21.45**	**76.00**	**63,294.94**
	Accumulated depreciation									
	Balance as at 1st April, 2016	-	-	-	-	-	-	-	-	-
	Additions during the year 2016-17	-	9.83	149.64	1,428.88	657.33	86.66	5.11	12.05	2,349.49
	Deletions during the year 2016-17	-	-	-	-	1.55	0.89	1.56	0.14	4.14
	Balance as at 31st March, 2017	**-**	**9.83**	**149.64**	**1,428.88**	**655.78**	**85.77**	**3.55**	**11.91**	**2,345.35**
	Additions during the year 2017-18	-	9.83	135.89	1,403.50	617.21	72.02	2.86	14.20	2,255.51
	Deletions during the year 2017-18	-	-	0.02	21.28	69.12	4.16	0.39	0.38	95.35
	Impairment loss (Refer note 40.3)	-	-	-	21,400.09	-	-	-	-	21,400.09
	Balance as at 31st March, 2018	**-**	**19.66**	**285.51**	**24,211.19**	**1,203.87**	**153.62**	**6.02**	**25.72**	**25,905.60**
	Net carrying amount									
	Balance as at 1st April, 2016	2,561.08	361.82	6,768.70	49,007.72	4,163.41	330.29	47.11	35.00	63,275.11
	Balance as at 31st March, 2017	2,561.08	351.98	6,362.47	47,853.13	3,581.08	270.03	22.07	38.90	61,040.74
	Balance as at 31st March, 2018	**2,561.08**	**342.15**	**6,225.86**	**24,966.22**	**3,001.02**	**227.29**	**15.43**	**50.28**	**37,389.33**

Notes:

5.1 On transition to Ind AS, the carrying values of all the property, plant and equipment under the previous GAAP have been considered to be the deemed cost under Ind AS. Also refer note 55.

5.2 For details of assets given as security, refer note 25.1 & 29

5.3 The leasehold improvements are constructed on land taken under operating lease.

5.4 In the previous year, freehold building at Bhubaneshwar of ₹ 259.40 lakhs was re-classified as leasehold improvements and being amortised over the lease period.

6	Other intangible assets	Software	Total
	Gross carrying value		
	Deemed Cost as at 1st April, 2016 (Refer note 6.1)	33.15	33.15
	Additions during the year 2016-17	8.58	8.58
	Deletions during the year 2016-17	2.28	2.28
	Balance as at 31st March, 2017	**39.45**	**39.45**
	Additions during the year 2017-18	32.24	32.24
	Deletions during the year 2017-18	1.09	1.09
	Balance as at 31st March, 2018	**70.60**	**70.60**
	Accumulated amortization		
	Balance as at 1st April, 2016	-	-
	Amortization for the year 2016-17	5.42	5.42
	Deletions during the year 2016-17	0.45	0.45
	Balance as at 31st March, 2017	**4.97**	**4.97**
	Amortization for the year 2017-18	8.52	8.52
	Deletions during the year 2017-18	0.43	0.43
	Balance as at 31st March, 2018	**13.06**	**13.06**

Notes to consolidated financial statements for the year ended 31st March 2018

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

Other intangible assets	Software	Total
Net carrying amount		
Balance as at 1st April, 2016	33.15	33.15
Balance as at 31st March, 2017	34.49	34.49
Balance as at 31st March, 2018	**57.54**	**57.54**

6.1 On transition to Ind AS, the carrying values of all the intangible asset under the previous GAAP have been considered to be the deemed cost under Ind AS. Also refer note 55.

6.2 Software is other than internally generated software.

6.3 Balance useful life of intangible as at 31st March 2018 is 1 to 9 years (31st march 2017 : 1 to 9 years, 1st april 2016 : 1 to 9 years).

7

Capital work in progress	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Opening	42.95	29.07	18.84
Add: Additions during the year	48.21	25.07	10.23
Less: Capitalised during the year	24.11	11.19	-
Less : Written Off	18.84	-	-
Closing	**48.21**	**42.95**	**29.07**

8

Intangible assets under development	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Opening balance	11.12	11.12	-
Add: Additions during the year	-	-	11.12
Less: Capitalised during the year	1.60	-	-
Less: Written off during the year	9.52	-	-
Closing balance	**-**	**11.12**	**11.12**

9

Investment property	Freehold land	Building	Building on leasehold land (Refer note 9.5)	Total
Gross carrying value				
Deemed cost as at 1st April, 2016	178.09	28.34	950.85	**1,157.28**
Additions during the year 2016-17	-	-	-	**-**
Deletions during the year 2016-17	-	-	-	**-**
Balance as at 31st March, 2017	**178.09**	**28.34**	**950.85**	**1,157.28**
Additions during the year 2017-18	-	-	-	-
Deletions during the year 2017-18	-	-	-	-
Balance as at 31st March, 2018	**178.09**	**28.34**	**950.85**	**1,157.28**
Accumulated depreciation				
Balance as at 1st April, 2016				-
Additions during the year 2016-17	-	0.51	24.48	24.99
Deletions during the year 2016-17	-	-	-	-
Balance as at 31st March, 2017	**-**	**0.51**	**24.48**	**24.99**
Additions during the year 2017-18	-	0.51	24.49	25.00
Deletions during the year 2017-18	-	-	-	-
Balance as at 31st March, 2018	**-**	**1.02**	**48.97**	**49.99**
Net carrying amount				
Balance as at 1st April, 2016	178.09	28.34	950.85	1,157.27
Balance as at 31st March, 2017	178.09	27.83	926.37	1,132.28
Balance as at 31st March, 2018	**178.09**	**27.32**	**901.88**	**1,107.29**

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

9.2 Cost of freehold land includes ₹ 134.40 lakhs as at 31st March 2018 (31st March 2017: ₹ 134.40 lakhs; As at 1st April 2016: ₹ 134.40 lakhs) which is in the name of the ‘Managing Director and Chairman’ of the holding Company.

Notes to consolidated financial statements for the year ended 31st March 2018

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

9.3 On transition to Ind AS, the carrying values of all the investment property under the previous GAAP have been considered to be the deemed cost under Ind AS. Also refer note 55.

9.4 For details of assets given as security, refer note 25.1 & 29

9.5 The leasehold land improvements are constructed on land taken under operating lease.

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

Particulars	31st March 2018	31st March 2017
Rental income derived from investment property (Refer note 9.7)	44.58	56.24
Direct operating expenses (including repairs and maintenance) generating rental income	(17.71)	(16.94)
Direct operating expenses (including repairs and maintenance) that did not generate rental income	(5.41)	(4.48)
Profit from leasing of investment properties before depreciation	**21.46**	**34.82**
Less: Depreciation expenses	(25.00)	(24.99)
Profit from leasing of investment properties before depreciation	**(3.54)**	**9.83**

9.7 Leasing arrangement

Certain investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Refer note 47 (a) for details on future minimum lease rentals.

9.8 Fair value

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Fair value of investment properties	1,184.95	1,132.28	1,157.28

9.9 The Company's investment properties consist of land situated at Nagpur, Kottayam (Kerala), Baddi (Himachal Pradesh) and office building in Mumbai. The best evidence of fair value is current prices in an active market for similar properties. Group has considered ready reckoner rates as the main input for valuation of these investment properties. All resulting fair value estimates for investment properties are included in Level 2.

10

Investments in joint venture (At cost)	Face Value	No. of shares	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Unquoted equity investment					
Ilex Developers and Resorts Limited	10.00	266,500	422.55	284.61	375.69
Total			**422.55**	**284.61**	**375.69**
Aggregate value of unquoted investment			422.55	284.61	375.69
Aggregate amount of impairment in value of investments			-	-	-

11

	Investments	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
(a)	**Investments carried at fair value through profit and loss account**			
	Non trade investments (Unquoted)			
	Investments in Government Securities			
	6 Year National saving certificate	-	0.11	0.15
	Investment in Bonds			
	ICICI tax Saving Bonds (1st April, 2016 200 bonds of ₹ 5,000)	-	-	81.47
	Total amortized cost investments	**-**	**0.11**	**81.62**
(b)	**Investment measured at Fair Value Through Profit or Loss**			
	Investment in Equity Instruments (Quoted)			
	Royal Orchid Hotels Limited 50 equity shares (31st March 2017 50 and 1st April 2016 50) of Rs 10 each	0.08	0.04	0.04
	Investment in Equity Instruments (Unquoted)			
	The Satara Sahakari Bank Limited 10,010 equity shares (31st March 2017 10,010 and 1st April 2016 10,010) of ₹ 50 each	10.97	10.97	11.63
	Total FVTPL investments	**11.05**	**11.01**	**11.67**
	Total	**11.05**	**11.12**	**93.29**
	Aggregate amount of quoted investments	0.08	0.04	0.04
	Aggregate amount of unquoted investments	10.97	11.08	93.15
	Market value of quoted investments	0.08	0.04	0.04
	Aggregate amount of impairment in value of investments	-	-	-

Notes to consolidated financial statements for the year ended 31st March 2018

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

12

Loans and advances (Unsecured, considered good unless otherwise stated)	**As at 31st March 2018**	**As at 31st March 2017**	**As at 1st April 2016**
Security deposits			
- Related Party (Refer note 12.1 and 43)	1,632.51	1,547.55	1,467.36
- Others	184.66	219.32	240.80
Inter corporate deposit (considered doubtful)	200.00	200.00	200.00
Less: Impairment of advance given	200.00	200.00	200.00
	-	-	-
Margin Money in Fixed Deposit with Banks with Maturity more than 12 Months (Refer Note 12.2)	108.64	101.95	91.42
Total	**1,925.81**	**1,868.82**	**1,799.58**

12.1 Holding Company has given interest free security deposit having carrying value of ₹ 8,000.00 lakhs as at 31st March 2018 (As at 31st March 2017: ₹ 8,000.00 lakhs; as at 1st April 2016: ₹ 8,000.00 lakhs) for hotel property taken by the holding company to an entity in which some of the directors are director and member.

12.2 Fixed deposit is given as margin money for guarantee given by bank to government and other authorities on behalf of the Group.

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Income tax assets (net)	**As at 31st March 2018**	**As at 31st March 2017**	**As at 1st April 2016**
Income tax (net)	1,204.90	1,123.75	1,033.56
Total	**1,204.90**	**1,123.75**	**1,033.56**

14

Other non current assets (Unsecured, considered good unless otherwise stated)	**As at 31st March 2018**	**As at 31st March 2017**	**As at 1st April 2016**
Capital advances	188.65	193.66	190.66
Less: Impairement of advance given	188.65	188.65	188.65
	-	5.01	2.01
Advances other than capital advances			
Others (Refer Note 14.1)	488.62	488.62	488.62
Less: Impairement of advance given	488.62	488.62	488.62
	-	-	0.00
Deferred advance rentals	3,976.25	4,140.33	4,303.52
Prepaid expenses	20.99	12.40	4.37
Total	**3,997.24**	**4,157.75**	**4,309.90**

14.1 In terms of the Memorandum of Understanding with a Public Trust owning a plot of land in Mumbai, the holding company had paid ₹ 488.62 lakhs as security deposit and incurred expenditure of ₹ 207.93 lakhs for a proposed hospitality project on the said land in earlier years. The owner did not fulfil his obligation to complete the infrastructure for the aforesaid project despite follow up by the holding comapny. In view of inordinate delay in the projects, the expenditure incurred on the said incomplete project has been written off and a provision has been made in the earlier years for the deposit paid to the said party. Holding company has initiated legal proceedings against the party and other party has also made counter claim for compensation and interest thereon. The matter is pending to be resolved. Adjustments, if any, to the expenditure written off and provision made as above, will be made on disposal / conclusion of the above matter in the year in which matter is settled.

15

Inventories (at lower of cost or net realisable value)	**As at 31st March 2018**	**As at 31st March 2017**	**As at 1st April 2016**
Food and beverages	225.76	171.99	187.52
Stores and operating supplies	118.93	349.81	372.80
Total	**344.69**	**521.80**	**560.32**

Notes to consolidated financial statements for the year ended 31st March 2018

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

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Current investments	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Investment measured at Amortised Cost			
Unquoted			
Nil (As at 31st March 2017 - 5,000; 1st April 2016 - Nil) units of ICICI tax saving bonds of ₹ 200 each	-	92.30	-
50,000 (31st March 2017: 50,000; 1st April 2016: 50,000) units of SBI PSU FUND - of ₹ 10 each	5.00	5.00	4.16
Total	**5.00**	**97.30**	**4.16**
Aggregate value of unquoted investments	5.00	97.30	5.00
Net asset value unquoted investments	5.54	6.17	4.16
Aggregate amount of impairment in value of investments	-	-	-

17

Trade receivable (Unsecured considered good, unless otherwise stated)	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
- Considered good	3,181.64	847.62	1,178.08
- Considered doubtful	126.30	1,296.84	1,169.31
	3,307.94	**2,144.45**	**2,347.38**
Less: Allowance for expected credit loss	1,619.92	1,286.24	1,158.49
Total	**1,688.02**	**858.21**	**1,188.89**

17.1 Trade receivable includes receivable from related parties as given below. This include amount of ₹ 7.39 lakhs (As at 31st March 2017: ₹ Nil lakhs; As at 1st April 2016: ₹ 13.50.lakhs) from an entity in which director of the group is also director.

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
From related parties			
Ilex Developers & Resorts Limited (Joint Venture Company)	7.39	-	13.50
Treeo Resorts Private Limited (Group Company)	4.88	9.88	13.44

18

Cash and bank balances	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Cash and cash equivalent			
Balances with bank			
- In current accounts	329.88	387.66	574.76
- Cheques in hand	177.54	1.50	11.72
- Cash in hand	23.90	44.32	31.54
- Fixed deposit (maturity less than 3 months)	-	360.84	601.07
	531.32	794.32	1,219.09
Bank balances other than cash and cash equivalent			
-Fixed deposit	0.78	1.71	29.20
Total	**532.10**	**796.03**	**1,248.29**

19

Other bank balance	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Margin money in fixed deposits with banks (Refer note 19.1)	81.12	49.19	44.59
Balance with Bank includes dividend payment account	-	-	2.10
Total	**81.12**	**49.19**	**46.69**

19.1 Fixed deposit is given as margin money to the Bank for guarantee given by bank to Government and other authorities on behalf of the group.

Notes to consolidated financial statements for the year ended 31st March 2018

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

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Loans (Unsecured considered good, unless otherwise stated)	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Security deposit	7.20	13.87	28.62
Loans and advances to subsidiaries	0.14	-	-
Loans and advances to employees	1.44	0.02	1.58
Total	**8.78**	**13.90**	**30.20**

21

Other current financial assets (Unsecured, considered good unless otherwise stated)	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Advances - Others (Refer note 21.1)	638.88	635.96	634.46
Interest on bank deposits	10.43	42.89	31.41
Recoverable from bank	-	-	322.56
Deposit with prothonotary and senior master (Refer note 21.2)	-	6,231.41	3,050.24
Total	**649.31**	**6,910.26**	**4,038.67**

21.1 Advances given by the group in the earlier years are towards advance for procurement of project materials used for Orchid Convention Center at Balewadi, Pune. The project was abandoned in earlier years and the amount is due for refund, in view of management same is good and recoverable.

21.2 The deposits with prothonnotary and senior master in earlier years represents amounts deposited with Hon'ble Bombay High Court on account of pending dispute with a lender, which has been disposed off during the year and the deposits and interest earned thereon has been utilised for repayment of underlying loan.

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Other current assets (Unsecured, considered good unless otherwise stated)	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Advances to vendors	498.89	110.73	75.55
Balances with Government authorities	75.24	27.58	18.23
Prepaid expenses	228.32	176.69	178.34
Total	**802.45**	**315.00**	**272.12**

23

Share capital	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Authorised capital			
34,250,000 (31st March 2017 34,250,000 1st April 2016 34,250,000) Equity Shares of ₹ 10 each.	3,425.00	3,425.00	3,425.00
Total	**3,425.00**	**3,425.00**	**3,425.00**
Issued, subscribed and paid-up			
23,584,058 (31st March 2017 23,584,058 1st April 2016 23,584,058) Equity Shares of ₹ 10 each, fully paid up	2,358.41	2,358.41	2,358.41
Add: 862,500 Forfeited equity shares (31st March 2017 862,500 1st April 2016 862,500) (amounts originally paid up).	58.85	58.85	58.85
Total	**2,417.26**	**2,417.26**	**2,417.26**

23.1 Terms/ rights attached to equity shares :

The holding company has only one class of shares referred to as equity shares having a par value of ₹10. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the group, the holders of equity shares will be entitled to receive any of the remaining assets of the holding comapny, after distribution of all preferential amounts. However, there are no preferential amounts inter se equity shareholders. The distribution will be in proportion to the number of equity shares held by the shareholders (after due adjustment in case shares are not fully paid up).

Notes to consolidated financial statements for the year ended 31st March 2018

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

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

Particulars	31st March 2018		31st March 2017	
	Number of Shares	Amount	Number of Shares	Amount
Number of shares at the beginning	23,584,058	2,358.41	23,584,058	2,358.41
Add: Shares issued during the year	-	-	-	-
Less: Buyback during the year	-	-	-	-
Number of shares at the end	23,584,058	2,358.41	23,584,058	2,358.41

23.2 Details of shareholders holding more than 5 % shares

Particulars	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	Number of Shares	% held	Number of Shares	% held	Number of Shares	% held
Kamat Holdings Private Limited	15.00	6.36	15.00	6.36	15.00	6.36
Plaza Hotels Private Limited	35.36	14.99	35.36	14.99	35.36	14.99
Indira Investments Private Limited	15.64	6.63	15.64	6.63	15.64	6.63
Dr. Vithal V. Kamat	32.55	13.80	32.55	13.80	32.55	13.80
Clearwater Capital Partners Cyprus Limited	0.00	0.00	51.52	21.85	73.00	30.95

24	Other equity	As at 31st March 2018	As at 31st March 2017
	Capital reserve (Refer Note 24.1)		
	As per last Balance sheet	13.87	13.87
	Capital redemption reserve (Refer Note 24.2)		
	As per last Balance sheet	266.50	266.50
	Securities premium (Refer Note 24.3)		
	As per last Balance sheet	14,986.74	14,986.74
	Amalgmation reserve (Refer note 24.4)		
	As per last Balance sheet	280.06	280.06
	Surplus/(Deficit) in the Statement of Profit and loss		
	As per last balance sheet	(15,179.33)	(19,334.83)
	Add: Profit/(loss) for the year	(19,219.70)	4,155.50
	Closing balance	**(34,399.03)**	**(15,179.33)**
	Other comprehensive income		
	As per last balance sheet	14.76	-
	Add: Movement in OCI (Net) during the year	11.26	14.76
	Closing balance	**26.02**	**14.76**
	Total	**(18,825.83)**	**382.61**

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

24.2 Capital redemption reserve is credited by amount set aside for redemption of preferance shares .

24.3 Securities premium account is used to record the premium on issue of equity shares. The same is utilised in accordance with the provisions of The Companies Act, 2013.

24.4 In terms of the Bombay High Court order dated 13th January, 2012 the above reserve is not available for distribution as dividend.

KAMAT HOTELS (INDIA) LIMITED

Notes to consolidated financial statements for the year ended 31st March 2018

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

25

Borrowings	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Non-current borrowings			
Secured			
Term loans (Refer note 25.1(a))			
- From banks (Refer Note 25.1(a) , 25.1(b) and 25.1(d))	988.65	12,618.58	19,093.30
- From others (Refer Note 25.1(a))	54,847.82	57,633.51	54,401.33
Unsecured			
- Term loans from others (Refer note 25.1(c))	1,371.00	-	-
- Inter-corporate loan (Refer note 25.2)	3,139.31	1,589.28	1,207.33
	60,346.78	71,841.37	74,701.96
Less: Current maturities of long term loans	37,751.89	29,948.16	34,362.38
Less: Interest accrued and due (Refer note 31)	5,712.83	9,923.55	10,869.25
Total	**16,882.06**	**31,969.66**	**29,470.33**

25.1 Details of security provided and terms of repayment

(a) Term loan from banks and others [loans assigned by banks to ARC’s on settlement] aggregating to ₹ 29,372.90 lakhs (As at 31st March 2017: ₹ 35,426.06 lakhs & As at 1st April 2016: ₹ 36,658.86 lakhs) are secured by (i) First ranking pari-passu charge on lands at “The Orchid” at Vile Parle (East) (owned by Plaza Hotels Private Limited) together with hotel buildings and all appurtenances thereon; (ii) First / second ranking pari-passu mortgage on Group’s immovable property being Hotel “VITS” at Andheri (East); (iii) First/ second charge by way of hypothecation of movable fixed assets and current assets of the Company; (iv) Credit card receivables on pari-passu basis; (v) Equitable mortgage of hotel property at Lotus Goa [exclusive to one lender]; (vi) Pledge of equity shares of the Company held by promoters and promoter companies, pledge of certain equity shares of Orchid Hotels Pune Private Limited (subsidiary) and Plaza Hotels Private Limited (related party) and entire equity shares of Kamats Restaurants (India) Private Limited, Fort Jadhavgadh Hotels Private Limited, Mahodadhi Palace Private Limited and ILEX Developers and Resorts Limited, Kamat Holiday Resorts (Silvassa) Limited; and (vii) Corporate guarantee of subsidiaries, joint venture entity and Plaza Hotels Private Limited and personal guarantee of Dr. Vithal Kamat and Mr. Vikram Kamat.

Term loan from others [loans assigned by banks to ARC] aggregating to ₹ 17,415.31 lakhs (As at 31st March 2017: ₹ 17,415.31 lakhs & As at 1st April 2016: ₹ 17,415.31 lakhs) is secured by (i) first charge on all movable and immovable fixed assets of OHPPL both present and future; (ii) exclusive charge by way of hypothecation of the stocks, current assets including book debts, bills receivables both present and future; (iii) pledge of 30% equity of OHPPL held by the group; (iv) guaranteed by corporate guarantee of the holding company and Kamats Development Private Limited (a Company in which the director of the group is a director); and (v) personal guarantees of Dr. Vithal Kamat and Mr. Vikram Kamat.

(b) Term loans from banks and others [loans assigned by Bank to ARC’s and NBFC on settlement] aggregating to ₹ 3,406.42 lakhs (As at 31st March 2017: ₹ 7,480.75 lakhs & As at 1st April 2016: ₹ 8,542.20 lakhs) is secured by (i) First ranking pari-passu charge on lands at “The Orchid” at Vile Parle (East) (owned by Plaza Hotels Private Limited) together with hotel buildings (245 rooms) and all appurtenances thereon; (ii) Credit card receivables of Orchid (245 rooms) and VITS, Mumbai; (iii) Personal guarantees of Dr. Vithal Kamat and Mr. Vikram Kamat; and (iv) Post dates cheques and undertaking to pay 50% of sale proceeds of certain assets in case of sale of those assets.

(c) Repayable in 12 to 24 monthly installement. The lonas are taken against pledge of shares by the promoters of the holding company and other promoter companies.

(d) Bank loan includes, loan of ₹ 3.47 lakhs (As at 31st March 2017: ₹ 6.42 lakhs & As at 1st April 2016: ₹ 9.01 lakhs) taken for vehicle which is secured by hypothecation of the vehicle for which loan is taken.

25.2 Above intercorporate loan is repayable by 31st March, 2020 or earlier on availability of funds with the Group. As per the terms of the agreement it is not payable in next 12 months as at balance sheet date, hence same is classified under long term borrowing.

Notes to consolidated financial statements for the year ended 31st March 2018

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

25.3 Based on repayment schedules for borrowings [including as per settlement agreement or One Time Settlement sanctioned by various lenders as referred in note 25.4 below], following is maturity profile of term loans from banks and others [assigned loans].

Particulars	Maturity Profile			
	As at 31st March 2018		As at 31st March 2017	
	Next 1 year	2-5 Years	Next 1 year	2-5 Years
From banks	988.33	0.14	8,308.36	3.51
From others	36,763.56	16,881.92	21,639.80	31,966.15
Total	**37,751.89**	**16,882.06**	**29,948.16**	**31,969.66**

25.4 Settlement of outstanding loan with ARC's and one time settlement with banks

(a) The holding comapny had borrowed funds in earlier years from banks, financial institutions and NBFCs. Due to financial crisis faced by economic slowdown and other factors, a Corporate Debt Restructuring (CDR) Scheme was sanctioned by the Corporate Debt Restructuring Empowered Group vide sanction letter dated 12th March, 2013. In respect of some of the restructured debts from some of the lenders, despite best efforts taken by the holding company, the stipulated assets of the holding comapny could not be sold and consequently the debts agreed to be repaid out of the above debts could not be repaid by 31st March, 2014 and hence CDR scheme failed and Group exited from the CDR scheme. Subsequently, most of the lenders have initiated recovery proceeding including under SARFAESI Act and the Negotiable Instrument Act,1881. One of the lender also filed recovery proceedings with Hon'ble Bombay High Court in which another lender having rights on escrow of credit card receivable intervened and finally the case was disposed off by consent.

Subsequently, most of these loans were assigned by the lenders to the Asset Reconstruction Companies (ARC). Group has negotiated with the Banks and ARC's and restructured the above debts through settlement agreements or one time settlements (OTS) of outstanding dues. Consequently, in respect of settlement made during the year interest and principal (where applicable) of ₹ 1,567.69 lakhs has been written back (Previous year: ₹ 3061.75 lakhs), which is disclosed as exceptional item in note .

(b) With respect to above settled loans, holding company is discharging its obligations in terms of the settlement with the respective assignees. In the event of default of terms and conditions of the settlements, the holding company may be liable to pay additional and penal interest and charges which are estimated to be ₹ 17,195.41 lakhs (As at 31st March 2017: ₹ 11,761.43 lakhs & As at 1st April 2016: ₹ Nil).

(c) With respect to case filed under Negotiable Instrument Act, 1881, since the relevant loan has been fully assigned, the holding company is advised that the proceedings under the said Act will not survive. In the event these proceedings are held against the Group, it may be liable to pay penalty which is estimated at ₹ 1,000 lakhs (As at 31st March 2017: ₹ 1,000 lakhs & As at 1st April 2016: ₹ 1,000 lakhs). In view of the above, in the opinion of the management, no provision is considered necessary for the same.

25.5 Loans guaranteed by directors of holding company

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
From banks	1,057.38	8,444.58	13,973.47
From others	50,628.31	53,435.35	50,203.17
Term loan from others	**51,685.69**	**61,879.93**	**64,176.64**

25.6 Continuing default in repayment of loan and interest at the year end is as given below:

Particulars	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	Amount*	Period defaults	Amount	Period defaults	Amount	Period defaults
Principal	494.00	1 day	7,117.76	1 - 1097 days	16,245	1 - 763 days
Interest	-	-	4,249.53	1 - 1097 days	5,330	1 - 763 days
Total	**494.00**		**11,367.29**		**21,575**	

* Out of this, amount of ₹ 250.00 lakhs has been repaid subsequent to current Financial year end but before approval of accounts. Defaults are reported in cumulative basis as at year end.

Notes to consolidated financial statements for the year ended 31st March 2018

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

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Other financial liabilities	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Outstanding club membership deposits	645.17	726.15	834.62
Deferred income on club deposits	19.60	25.22	19.60
Outstanding bond deposits	-	-	277.72
Security deposits	91.67	297.51	223.52
Deposit from related party	18.47	16.49	14.73
Sales tax deferral loan	0.86	26.27	50.00
Deferred advance rentals on security deposits	50.72	240.99	275.60
Total	**826.49**	**1,332.64**	**1,695.78**

26.1 Security deposit received having carrying value of ₹ 80.00 lakhs as at 31st March 2018 (As at 31st March 2017: ₹ 80.00 lakhs; as at 1st April 2016: ₹ 80.00 lakhs) is interest free and is received against hotel property given by the Holding Company under operation and management agreement. This deposit is received from an entity in which group's director is director.

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Provisions	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Provision for Gratuity benefits (Refer note 46)	13.29	26.45	17.70
Provision for leave benefits (Refer note 46)	218.09	185.68	166.50
Total	**231.38**	**212.13**	**184.20**

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Deferred tax assets/ (liabilities)		As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Significant components of net deferred tax assets and liabilities				
Deferred tax assets on				
Carried forward losses as per Income Tax Act		7,525.77	7,871.26	7,638.89
Expense allowed on payment basis as per Income tax act		1,604.69	4,011.29	3,415.50
Provision for doubful debts and advances		437.60	405.02	383.15
MAT credit entitlement		167.17	167.17	155.97
Fair value measurement of financial assets and liabilities		1,120.19	969.96	957.32
Difference in net carrying value of property, plant and equipment, intangible assets and investment properties as per income tax and books		1,387.28	-	-
	Sub-total (A)	**12,242.70**	**13,424.70**	**12,550.83**
Deferred tax liabilities on				
Difference in net carrying value of property, plant and equipment, intangible assets and investment properties as per income tax and books		4,555.09	9,793.91	9,113.28
Sales tax deposit paid under protest claimed as allowable expenses		2.91	3.31	4.63
Fair value measurement of financial assets and liabilities		498.03	495.71	495.71
	Sub-total (B)	**5,056.03**	**10,292.93**	**9,613.62**
Less: Deferred tax asset not recognised [Refer Note 28.1(a)]		8,679.89	3,391.12	3,171.24
Deferred tax assets/(liability)	**(A-B)**	**(1,493.22)**	**(259.34)**	**(234.03)**

Notes to consolidated financial statements for the year ended 31st March 2018

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

28.1 Reconciliation of tax expenses and the accounting profit multiplied by applicable tax rate for 31st March 2018 and 31st March 2017:

Particulars	As at 31st March 2018	As at 31st March 2017
Accounting Profit before tax from operations (including other comprehensive income) (a)	(17,975.19)	4,131.58
Income tax rate as applicable (b)	33.99%	33.06%
Income tax liability/(asset) as per applicable tax rate (a X b)	(6,109.77)	1,366.02
(i) Permanent tax difference due to		
- Effect of expenses that are not deductible in determining taxable profit	(102.02)	271.07
(ii) Deffered tax liability reversed during the year		(1,585.87)
(iii) Effect of change in tax rate from 33.99% to 29.12% for deferred tax liability calculation	2,053.93	(288.95)
(iv) Losses of earlier year lapsed.	102.95	-
(v) Deferred tax asset not recognised (Refer note (a))	5,288.77	219.87
(vi) Tax expenses for earlier years	8.98	-
Tax expense reported in the statement of profit and loss	**1,242.84**	**(17.86)**

Note:

(a) No provision for income tax has been made in the current year as there is no taxable income as per the Income Tax Act, 1961 considering brought forwarded losses and payments made, allowable on payments basis.As per Ind AS 12- Income Taxes, deferred tax asset should be recognised on the carrying forward unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. The unused business losses is having expiry period from 1 to 8 years as at 31st March, 2018 (2 to 8 years as at 31st March, 2017 and 3 to 8 years as at 01st April, 2016) respectively.

28.2 Income tax recognised in the statement of profit and loss:

Particulars	As at 31st March 2018	As at 31st March 2017
Current tax		
In respect of the current year	-	11.21
In respect of the earlier years	8.98	-
	8.98	**11.21**
Deferred tax		
MAT credit	-	(11.21)
Other items	1,233.86	(17.86)
	1,233.86	**(29.07)**
Total tax expense recognized in current year	**1,242.84**	**(17.86)**

29	Borrowings	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
	Short term borrowings			
	Working capital loan			
	From bank			
	- Cash credit facility (Refer Note 29.1)	-	-	772.43
	ICICI Bank Limited (BG Devolvement Account) (Refer Note 29.2)	72.38	139.13	141.59
	Total	**72.38**	**139.13**	**914.02**

29.1 Working Capital loan from a Bank was secured by hypothecation of entire stock and book debts (excluding credit card receivables and receivables of 127 rooms - The Orchid Expansion) of the group and second pari passu charge by mortgage of immovable property being Hotel “VITS” at Andheri (East), hypothecation of all movable assets there at, pledge of shares and personal and corporate guarantees of certain promoter directors and entities. This loan has been assigned by the lender in the previous year.

29.2 With respect to bank guarantee given by the Bank on behalf of one of the Subsidairy Company, two parties have invoked bank guarantee for non-payment of lease rent and non-fulfilment of export obligations. Group is in continuing default in repayment of this outstanding loan. Group has also not accounted for interest liability amounting to ₹ 134.00 lakhs (including for the year ended 31st March 2018 of ₹ 25.59 lakhs) on the above loan.

Notes to consolidated financial statements for the year ended 31st March 2018

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

29.3 Above loan was part of non-fund based limit sanctioned by the ICICI Bank in the earlier years and is secured by (i) first charge on pari passu basis on all movable and immovable fixed assets of the Company both present and future; (ii) exclusive charge by way of hypothecation of the stocks, current assets including book debts, bills receivables both present and future; (iii) Pledge of 30% equity of OHPPL by the holding company, guaranteed by corporate guarantee of Kamat Hotels (India) Ltd (Holding Co.), Kamats Development Private Limited (a Company in which a director of the Company is a director); and (iv) personal guarantees of Director and relative of director [also Ex-Director].

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Trade payables	**As at 31st March 2018**	**As at 31st March 2017**	**As at 1st April 2016**
Outstanding dues of micro enterprises and small enterprises (Refer note 30.1).	56.29	25.02	24.62
Outstanding dues of creditors other than micro enterprises and small enterprises			
- Others	1,889.43	1,396.29	1,604.18
- Related parties (Refer note 43)	87.75	131.56	51.44
Total	**2,033.47**	**1,552.86**	**1,680.24**

30.1 The amount due to Micro, Small and Medium Enterprises as defined in the Micro, Small and Medium Enterprises Development Act (MSMED Act), 2006 has been determined to the extent such parties have been identified on the basis of information collected by the management. The disclosure relating to Micro, Small and Medium Enterprises is as under:

Particulars	**As at 31st March 2018**	**As at 31st March 2017**	**As at 1st April 2016**
Dues remaining unpaid at the year end:			
(a) The principle amount remaining unpaid to supplier as at the end of the accounting year	56.29	25.02	24.62
(b) The interest thereon remaining unpaid to supplier as at the end of the accounting year	23.73	19.51	15.91
(c) The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-	-
(d) Amount of interest due and payable for the year	4.22	3.60	2.14
(e) Amount of interest accrued and remaining unpaid at the end of the accounting year	23.73	19.51	15.91
(f) The amount of further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid	1.84	0.99	0.95
Total	**109.81**	**68.62**	**59.53**

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Other financial liabilities	**As at 31st March 2018**	**As at 31st March 2017**	**As at 1st April 2016**
Current maturities of long term borrowings (Refer note 31.1 & 25)	37,751.89	29,948.16	34,362.38
Bank balance - book overdraft	-	-	5.68
Interest accrued but not due - on bond deposits	120.47	257.45	240.00
Interest accrued and due:			
- To Banks & Others	1,608.38	5,814.43	6,722.55
Unpaid dividend	-	-	2.09
Bond Issue Money (Current Liability)	513.01	269.53	25.67
Interest payable to MSME creditors	23.73	19.51	15.91
Creditors for capital expenditure (Refer note 30.1)	7.72	76.24	80.73
Orchid Club Membership - Refundable Deposits (Current Liability) - Net	799.38	891.31	-
Security deposit	63.36	66.05	129.54
Lease premium payable (Refer Note 31.2)	886.53	626.83	367.12
Other payables *	737.13	1,017.30	457.40
Total	**42,511.60**	**38,986.81**	**42,409.07**

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

Notes to consolidated financial statements for the year ended 31st March 2018

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

31.1 **In respect of loans taken by subsidiary :**

a) Term loan taken from a bank in earlier years became non-performing asset (NPA) in the year 2013. These loans were assigned by the Bank to Asset Reconstruction Company India Limited (ARCIL) vide assignment agreement dated 27th September 2013. ARCIL (jointly with ICICI Bank filed a suit before Debt Recovery Tribunal (DRT) for recovery of their dues and seeking some reliefs, which is pending. Group had submitted a restructuring proposal to ARCIL, but the same could not be processed for viability reasons. During the current year, the lender 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.

b) **Details of security provided**

This loan is secured by (i) first charge on all movable and immovable fixed assets of the Company both present and future; (ii) exclusive charge by way of hypothecation of the stocks, current assets including book debts, bills receivables both present and future; (iii) pledge of 30% equity of the Company held by the holding company; (iv) guaranteed by corporate guarantee of Kamat Hotels (India) Ltd (Holding Co.), Kamats Development Private Limited (a Group Company in which the director of the Company is a director); and (v) personal guarantees of Director and ex-Director.

c) In respect of borrowing from ARCIL [assigned by ICICI Bank in earlier years], outstanding balance as on 31st March 2018 (including interest liability accounted upto 30th September 2013) is subject to confirmation as the lender has initiated recovery proceedings including under SARFAESI Act.

d) As stated in note 31.1(a) above, 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.

31.2 In respect of dispute over lease rent levied by Director of Sports, the Company has accounted for the liability amounting to ₹ 886.54 lakhs as at 31st March 2018 (as at 31st March 2017: ₹ 626.84 lakhs and as at 1st April 2016 ₹ 367.14 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. Since full provision has been, same is not disclosed as contingent liability.

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Other current liabilities	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Advance from customers	620.91	534.15	301.78
Creditors for capital expenditure	-	-	20.64
Income received in advance	110.78	133.32	109.14
Statutory dues	1,617.22	1,140.67	3,700.07
Total	**2,348.91**	**1,808.14**	**4,131.63**

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Provision	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Provision for gratuity (Refer note 46)	188.48	134.89	96.96
Provision for leave benefit (Refer note 46)	95.96	73.85	61.21
Total	**284.44**	**208.74**	**158.17**

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Revenue from operations	Year ended 31st March 2018	Year ended 31st March 2017
Sale of services		
Room income	11,674.76	11,083.24
Food and banquet income	6,640.52	5,596.82
Sub-total	**18,315.28**	**16,680.06**
Other operating revenue		
License Fees - Shops and Offices	173.01	243.94
Income from export incentive	111.58	-
Membership fees	321.20	325.17
Management and consultancy fees	4.89	9.94
Other services (swimming pool, transporation etc)	947.59	1,061.54
Sub-total	**1,558.27**	**1,640.59**
Total	**19,873.55**	**18,320.64**

Notes to consolidated financial statements for the year ended 31st March 2018

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

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Other income	Year ended 31st March 2018	Year ended 31st March 2017
Interest income on financial assets at amortised cost		
- on fixed deposit with bank and others	17.13	58.18
- on others	258.59	286.33
Dividend income on investment in mutual fund - current investment	0.43	0.43
Exchange gain (net)	7.73	10.79
Liabilities and provisions no longer required written back	179.28	240.50
Provision for dimunition in value of Current Investment no longer required,written back	-	0.84
License fees - other properties	175.21	256.67
Fair valuation of security deposits	7.13	10.28
Miscellaneous income	56.72	106.84
Total	**702.23**	**970.86**

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Cost of food and beverage consumed	Year ended 31st March 2018	Year ended 31st March 2017
Opening stock	171.99	187.85
Add:Purchases (Refer note 36.1)	2,099.17	1,619.00
	2,271.16	1,806.85
Less:Closing stock	225.76	171.99
Total	**2,045.40**	**1,634.86**

36.1 Purchases are net of recoveries of ₹184.01 lakhs (Previous year ₹368.94 lakhs)

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Employee benefit expenses	Year ended 31st March 2018	Year ended 31st March 2017
Salaries, wages and bonus	4,126.44	3,520.95
Contribution to provident and other funds	223.55	196.92
Provision for gratuity (Refer note 46(ii)(a))	72.80	86.71
Provision for leave benefit (Refer note 46(ii)(c))	46.98	46.87
Staff welfare expenses	395.94	342.34
Total	**4,865.72**	**4,193.79**

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Finance costs	Year ended 31st March 2018	Year ended 31st March 2017
Interest expense at effective interest rate on borrowings which are measured at amortized cost	1,224.04	2,007.87
Other borrowing costs	306.05	788.12
Fair value of changes in financial liabilities (measured at amortized cost)	44.30	20.34
Total	**1,574.40**	**2,816.33**

Notes to consolidated financial statements for the year ended 31st March 2018

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

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Other expenses	Year ended 31st March 2018	Year ended 31st March 2017
Operating expenses		
Heat, light and power	1,511.59	1,760.85
Rent (Refer note 47(b))	146.72	134.86
Licences, rates and taxes	852.63	929.56
Repairs expenses for		
- Buildings	253.97	230.70
- Plant and Machinery	430.31	356.04
- Others	137.22	142.23
Expenses on apartments and boards	754.89	672.55
Replacements of crockery, cutlery, linen, etc.	418.46	198.38
Washing and laundry expenses	219.77	166.45
Water charges	193.62	169.97
Band and music expenses	129.20	67.95
Management licence fees and royalty	185.62	186.34
Sub total(A)	**5,233.98**	**5,015.86**
Sales and marketing expenses		
Adverstisement, publicity and sales promotion	214.18	358.50
Travel Agents' Commission	462.06	363.81
Other commission and charges	297.87	187.73
Sub total(B)	**974.11**	**910.04**
Administrative and general expenses		
Communication expenses	125.39	104.48
Printing and stationery	76.51	88.56
Legal, professional and consultancy charges	452.28	388.75
Directors' sitting fees	7.16	3.77
Travelling and conveyance	259.33	190.94
Insurance	66.21	58.84
Bad debts	19.19	1.36
Provision for doubtful debts and advances	345.02	127.76
Auditors' remuneration (Refer Note 39.1)	20.55	11.95
Sales Tax/Vat /Luxury Tax etc. including assessment dues	12.54	81.82
Loss on sale / discard of property, plant and equipment (Net)	182.03	18.21
Miscellaneous expenses	188.01	103.39
Sub total(C)	**1,754.20**	**1,179.82**
Total(A+B+C)	**7,962.30**	**7,105.73**

Notes to consolidated financial statements for the year ended 31st March 2018

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

39.1 Auditors' remuneration

	Year ended 31st March 2018	Year ended 31st March 2017
Statutory audit fees	17.60	9.85
Tax audit fees	2.95	0.30
Other services	-	1.45
Out of pocket expenses	-	0.30
GST /Service Tax (net of Input tax credit availed)	-	0.05
Total	**20.55**	**11.95**

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Exceptional items - Income/(expense)	Year ended 31st March 2018	Year ended 31st March 2017
Income:		
Interest provision no longer required written back on settlement of loan dues (net of incidental expenses related to settlement of loan dues) - (Refer note 40.1)	1,567.69	2,576.38
Reduction in liability towards long term and short term borrowings (Refer note 40.1)	-	485.38
Sub-total	**1,567.69**	**3,061.76**
Less:		
Expense:		
Impairment in cost of fixed assets of subsidiary (OHPPL)	21,400.09	-
Loss on discard of property, plant and equipment (Refer note 40.2)	95.79	-
Capital advances and capital work in progress written off	23.86	-
Sub-total	**21,519.74**	**-**
Total	**(19,952.05)**	**3,061.76**

40.1 Provision for finance cost written back and reduction in liability towards long term & short term borrowing represents write back of interest provision made in earlier years and write back of loan liability on settlement with the lenders of the Group.

40.2 Loss on discard of property, plant and equipment represents discard of fixed assets on pre-termination of lease arrangement at one of the hotel property taken under operating lease.

40.3 In accordance with Ind AS 36 - "Impairment of Assets", management of one of the Subsidiary Company (Orchid Hotels Pune Private Limited) has reviewed the recoverable value in respect to net block of fixed assets as on 31st March 2018. Based on such assessment (including offers received pursuant to action initiated by the lender) provision for impairment loss amounting to ₹ 21,400.09 lakhs (Previous year: Nil) has been recognised during the current year.

41 Capital Commitments, Other Commitments and Contingent Liabilities

41.1 Capital Commitments.

(a) Estimated amount of capital commitments to be executed on capital accounts and not provided for ₹ 39.62 lakhs as at 31st March 2018 (31st March 2017: ₹ 14.56 lakhs; As at 1st April 2016: ₹ 6.89 lakhs) (Net of advances).

41.2 Other significant commitments.

(a) The holding company had put up Sewage Treatment Plant ("STP") on an adjacent immovable property owned by Savarwadi Rubber Agro Private Limited in earlier years for its Orchid Hotel, Mumbai and continues to use the same. The holding comapny is obliged to compensate appropriately to the owner for such use of the property. The modalities of the same is being worked out.

(a) Undertaking given by the group in favour of a lender to repay the loan to the extent of 50% of sale proceeds from certain specified assets (in case sold) - Expected obligation of ₹ 1,236.82 lakhs (As at 31st March 2017: ₹ 1,236.82 lakhs & As at 1st April 2016: ₹ 1,236.82 lakhs) as per management estimate.

Notes to consolidated financial statements for the year ended 31st March 2018

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

41.3 Contingent liability (to the extent not provided for)

(a)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
(i) Claims against the Company/ disputed liabilities not acknowledged as debts			
Disputed income tax demands	816.59	809.97	400.69
Disputed indirect tax demands	410.51	593.40	285.13
Open import licenses	47.58	1,313.70	1,256.11
Claims against the Company not acknowledged as debts (including employee claims)	126.20	187.01	808.18
Claims against the group in respect of disputed demand by contractors	-	-	72.00
Claims by ex-employees of the Company for re-instatement of their services along with arrears of wages	N.Q.	N.Q.	N.Q.
Disputed claim of additional preimum by the Director of Sports Government of Maharashtra	225.00	225.00	225.00
Cases filed by certain lenders under the Negotiable Instrument Act, 1881 (Refer note 25.4)	1,000.00	1,000.00	-
ARCIL and ICICI Bank have jointly filed an application before DRT during the earlier year claiming recovery plus further interest which has not been accepted by the subsidiary company and the matter is pending before Debt Recovery Tribunal.	25,237.89	25,237.89	25,237.89
Bank guarantee invoked by the bank in earlier years, Company has applied for the waiver of interest liability payable on the total amount of bank guarantee invoked by the bank and therefore, the same is not accounted in the books of account.	134.00	110.66	85.39
(ii) Other money for which the Group is contingently liable			
Contingencies in respect of assigned loan (Also refer note 25.4)	17,195.41	11,761.43	Nil

In respect of above, future cash outflows (including interest/ penalty, if any) are determinable on receipt of judgement from tax authorities / labour court/ settlement of claims or non-fulfilment of contractual obligations. Further, the Group does not expect any reimbursement in respect of above.

41.4 Other litigations

(a) Refer note 14.1 in respect of dispute regarding Bandra Kurla Project.

42 Summarised financial information for joint ventures entity (Ilex Developers and Resorts Limited):

42.1 Summarised Balance Sheet

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Current Assets			
Cash and cash equivalents	65.93	51.07	43.64
Other assets	169.86	102.78	87.63
	235.79	153.85	131.27
Non current assets	3,141.82	2,910.39	2,934.89
Total assets	**3,377.61**	**3,064.24**	**3,066.16**
Current liabilities			
Financial liabilities	481.01	312.09	2,145.55
Other liabilities	38.34	46.81	20.99
	519.35	358.90	2,166.54
Non current liabilities			
Financial liabilities	1,899.81	2,183.16	118.10
Other liabilities	-	-	-
	1,899.81	2,183.16	118.10
Total Liabilities	**2,419.16**	**2,542.06**	**2,284.64**
Net assets	**958.45**	**522.18**	**781.52**

Notes to consolidated financial statements for the year ended 31st March 2018

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

42.2 Reconciliation of carrying amount

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Net assets	958.45	522.18	781.52
Group share	32.92%	32.92%	32.92%
Share of net assets	315.52	171.90	257.28
Carrying amount	**315.52**	**171.90**	**257.28**

42.3 Summarised Statement of Profit and Loss

Particulars	As at 31st March 2018	As at 31st March 2017
Revenue	**981.06**	**819.30**
Cost of material consumed	170.79	131.30
Employee benefit expense	203.85	182.30
Finance Cost	1.99	407.10
Depreciation and amortization	141.42	142.26
other expenses	247.76	216.03
Total expenses	**765.81**	**1,078.99**
Profit/(loss) before tax	**215.25**	**(259.69)**

42.4 Summarised Statement of Cash Flow

Particulars	As at 31st March 2018	As at 31st March 2017
Cash Flows from Operating activities	293.44	357.18
Cash Flows from Investing activities	(141.37)	(117.72)
Cash Flows from Financing activities	(137.21)	(232.03)
Net Increase / (Decrease) in cash & cash equivalent	**14.86**	**7.43**

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

43.1 Name and relationships of related parties:

a) Joint Venture	Ilex Developers & Resorts Limited
b) Entities in which Director/ KMP and relatives have significant influence	Vithal Kamat (HUF), Kamat Holdings Private Limited, Indira Investments Private Limited, Plaza Hotels Private Limited, Kamat Development Private Limited, Venketesh Hotels Private Limited, Kamats Club Private Limited, Kamburger Foods Private Limited, Kamats Super Snacks Private Limited, Karaoke Amusements Private Limited, Vishal Amusments Private Limited, Kamat Holiday Resorts (S) Limited, Kamat Eateries Private Limited, Kamat Amusements Private Limited, Kamats Development Private Limited, Talent Hotels Private Limited, Treeo Resort Private Limited, Nagpur Ecohotel Private Limited, VITS Hotels (Bhubaneshwar) Private Limited
(Only where there are transactions)	
c) Key Management Personnel [KMP]:	Dr. Vithal V. Kamat- Executive Chairman & Managing Director
d) Additional related parties ('KMP's) as per Companies Act, 2013 with whom transactionshave taken place during the year	Mrs. Smita Nanda, Chief Financial Officer (W.e.f. 26th May 2017)
e) Relatives of KMP	Mrs. Vidya V. Kamat [Wife of KMP]
(Only where there are transactions)	Mr. Vikram V. Kamat [Son of KMP]
	Ms. Vidita V.Kamat [Daughter of KMP]
	Mr. Vishal V. Kamat - [Son of KMP and also Chief Executive Officer of Fort Jadhav Gadh, an unit of the Company]

Notes to consolidated financial statements for the year ended 31st March 2018

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

43.2 Transactions with related parties

Nature of transaction	Name of the party	Year ended 31st March 2018	Year ended 31st March 2017
Royalty fees for leasehold land	Plaza Hotels Private Limited	100.61	93.63
Management fees - income	Ilex Developers & Resorts Limited	9.32	8.37
Deposit refunded		-	48.00
Sale of fixed assets	Treeo Resort Private Limited	-	2.44
Remuneration paid (Also refer note 44)	Dr.Vithal V.Kamat	105.57	105.60
Royalty expenses		4.63	5.87
Remuneration paid	Mr.Vishal V.Kamat	56.28	29.01
Consultancy fees	Ms.Vidita Kamat	5.40	4.05
Loan repaid during the year	Sangli Rubber Agro Private Limited (Formerly known as Venketesh Hotels Private Limited)	-	26.99
Refund received on advance for project		15.80	-
Advance given for project		-	15.80
Interest income		1.42	-
Loan taken during the year	Plaza Hotels Private Limited	-	9.55
Loan repaid during the year		6.25	3.29

43.3 Related party outstanding balances:

Nature of transaction	Name of the party	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Corporate guarantee given by holding company on behalf of JV	Ilex Developers & Resorts Limited	1,000.00	1,000.00	1,000.00
Security given for loan taken by holding company (to the extent of outstanding loan)		799.68	799.68	799.68
Security deposits given (Gross carrying value)		80.00	80.00	80.00
Trade receivable		7.16	-	13.50
Advance received		-	49.80	-
Deposit given under business contract agreements	Plaza Hotels Private Limited	8,000.00	8,000.00	8,000.00
Trade payable		87.13	130.94	50.82
Undertaking given towards repayment of loan		1,837.92	1,837.92	1,837.92
Undertaking given towards repayment of Loan	Talent Hotels Private Limited	2,375.26	2,375.26	2,375.26
Amount receivable	Treeo Resort Private Limited	4.88	9.88	13.44
Royalty payable	Dr.Vithal V. Kamat	10.44	14.79	15.78
Pledge of shares held in the holding company for term loan taken by the group		900.00	-	-
Unsecured loan payable	Sangli Rubber Agro Private Limited (Formerly known as Venketesh Hotels Private Limited)	-	-	26.99
Advance given for project		-	15.80	-
Unsecured loan receivable	Plaza Hotel Private Limited	-	6.25	6.25
Amount receivable	Treeo Resort Private Limited	4.88	9.88	13.44
Pledge of shares held in the Company for term loan taken by the Company	Nagpur Ecohotel Private Limited	1,371.00	-	-
Pledge of shares held in the Company for term loan taken by the Company	VITS Hotels (Bhubaneshwar) Private Limited	1,371.00	-	-

Notes to consolidated financial statements for the year ended 31st March 2018

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

Notes:

(a) Transactions with related parties and outstanding balances at the year end are disclosed at transaction value.

(b) In addition to above transactions,

(i) Ilex Developers & Resorts Limited, Plaza Hotels Limited, Kamat Holiday Resorts (Silvassa) Limited, Dr. Vithal V. Kamat, Mr. Vikram V. Kamat have given joint corporate guarantee amounting to ₹ 38,583.00 lakhs (As at 31st March 2017: ₹ 38,583.00 lakhs & As at 1st April 2016: ₹ 38,583.00 lakhs) to banks/ others for credit facilities availed by the Holding Company [Share of respective entities/ persons is not quantifiable].

(ii) KMP, relatives of KMP and entities in which KMP has significant influence have pledged equity shares held by them in the Company and other investments to the lenders for borrowing of the Company.

43.4 Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. For the year ended 31st March 2018, the Group has not recorded any impairment of receivables relating to amounts owed by related parties.

44 Breakup of compensation to key managerial personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

(a) Compensation to KMP as specified in para 43.1above:

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Short term employee benefits	96.07	96.10
Post employment benefits*	9.50	9.50
Other long term benefits*	-	-
Total	**105.57**	**105.60**

(b) Compensation to KMP as specified in para 43.1(d)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Short term employee benefits	35.35	7.69
Post employment benefits	0.93	0.37
Other long term benefits*	-	-
Termination benefits	-	-
Total	**36.28**	**8.06**

*As the liabilities for defined benefit plans are provided on actuarial basis for the Group as a whole, the amounts pertaining to Key Management Personnel are not included.

45 Earnings per share

Particulars	As at 31st March 2018	As at 31st March 2017
Basic and diluted earning per share		
Profit attributable to the equity holders of the group	(19,219.70)	4,155.50
Weighted average number of equity shares	23,584,058	23,584,058
Face value per equity share (₹)	10	10
Basic and diluted earnings per share	(81.49)	17.62

46 Disclosure relating to employee benefits as per Ind AS 19 'Employee Benefits'

(i) Disclosures for defined contribution plan

The Group has certain defined contribution plans. The obligation of the group is limited to the amount contributed and it has no further contractual obligation. Following is the details regarding group's contributions made during the year:

Particulars	2017-2018	2016-2017
Provident fund	84.80	72.63
Pension fund	29.58	25.99
Employees' state insurance (ESIC)	109.17	98.30
Total	**223.55**	**196.92**

KAMAT HOTELS (INDIA) LIMITED

Notes to consolidated financial statements for the year ended 31st March 2018

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

(ii) Disclosures for defined benefit plans

(a) Defined benefit obligations - Gratuity

The group has a defined benefit gratuity plan for its employees (in holding company & one subsidiary). The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, every employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the employee's length of service and salary at retirement age. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn) for each completed year of service as per the provisions of the Payment of Gratuity Act, 1972. The scheme is funded with insurance companies in the form of a qualifying insurance policy in respect on holding company.In respect four subsidiaries there are no employees and hence no provision for employee benefit is made.

Risks associated with plan provisions

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Group is exposed to various risks as follows:

Investment/ asset risk	All plan assets are maintained in a trust fund managed by a public sector insurer viz; LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The Group has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The Group has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured. Also interest rate and inflation risk are taken care of.
Interest rate risk	The defined benefit obligation is calculated using a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
Salary inflation risk	Higher than expected increases in salary will increase the defined benefit obligation.
Demographic risk	This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria.

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

Gratuity (Funded)- Holding Company		
Particulars	**2017 - 2018**	**2016 - 2017**
Discount Rate (per annum)	7.30%	6.95%
Rate of Return on Plan Assets (per annum)	7.30%	6.95%
Salary Escalation (per annum)	6.50%	6.50%
Attrition Rate (per annum)	10.00%	10.00%
Mortality Rate	As per Indian Assured lives Mortality (2006-08)	

Changes in the present value of obligations	**2017 - 2018**	**2016 - 2017**
Liability at the beginning of the year	257.26	239.42
Interest cost	16.42	17.33
Current service cost	43.75	40.20
Benefits paid	(11.17)	(56.96)
Past service cost	17.25	-
Actuarial (gain)/loss on obligations	(6.38)	17.27
Liability at the end of the year	**317.14**	**257.26**

Changes in the fair value of plan assets	**2017 - 2018**	**2016 - 2017**
Opening fair value of plan assets	123.19	142.85
Expected return on plan assets	8.65	11.29
Employers contribution	9.11	28.97
Benefits paid	(11.17)	(56.96)
Actuarial gain/(loss) on plan assets	(0.81)	(2.96)
Closing fair value of plan assets	**128.97**	**123.19**

Table of recognition of actuarial gain / loss	**2017 - 2018**	**2016 - 2017**
Actuarial (gain)/ loss on obligation for the year	(6.38)	17.27
Actuarial (gain)/ loss on assets for the year	(0.81)	(2.96)
Actuarial (gain)/ loss recognised in Statement of Profit and Loss	**(5.57)**	**20.23**

Notes to consolidated financial statements for the year ended 31st March 2018

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

Breakup of actuarial (gain) /loss:	**2017 - 2018**	**2016 - 2017**
Actuarial loss/(gain) arising from change in demographic assumption	-	-
Actuarial loss arising from change in financial assumption	(4.79)	12.49
Actuarial loss/(gain) arising from experience	(1.59)	4.78
Total	**(6.38)**	**17.27**

Amount recognized in the Balance Sheet:	**As at 31st March 2018**	**As at 31st March 2017**	**As at 1st April 2016**
Liability at the end of the year	317.15	257.26	239.42
Fair value of plan assets at the end of the year	(128.97)	(123.19)	(142.85)
Amount Recognized in the Balance Sheet	**188.18**	**134.08**	**96.57**

Expenses recognized in the Income Statement:	**2017 - 2018**	**2016 - 2017**
Current service cost	43.75	40.20
Interest cost	16.42	17.33
Expected return on plan assets	(8.65)	(11.29)
Past Service Cost	17.25	-
Actuarial (Gain)/Loss	(5.57)	20.23
Expense / (income) recognized in		
-Statement of profit and loss	158.90	141.71
-other comprehensive income	0.00	0.00

Balance sheet reconciliation	**As at 31st March 2018**	**As at 31st March 2017**	**As at 1st April 2016**
Opening net liability	134.08	96.57	112.24
Expense recognised in Statement of Profit and Loss	63.21	66.48	9.50
LIC contribution during the year	(9.11)	(28.97)	(8.03)
LIC funded	-	-	(17.14)
Amount Recognized in Balance Sheet	**188.18**	**134.08**	**96.57**
Non current portion of defined benefit obligation	-	-	-
Current portion of defined benefit obligation	188.18	134.08	96.57

Sensitivity analysis of benefit obligation (Gratuity)

Particulars	**2017-18**	**2016-17**	**2015-16**
a)Impact of change in discount rate			
Present value of obligation at the end of the year			
a) Impact due to increase of 0.5% - 1.00%	309.40	250.54	233.34
b) Impact due to decrease of 0.5% -1.00%	325.30	264.35	245.82
b)Impact of change in salary growth			
Present value of obligation at the end of the year			
a) Impact due to increase of 0.5% - 1.00%	324.86	264.30	246.20
b) Impact due to decrease of 0.5% -1.00%	309.64	250.74	233.33
c)Impact of change in withdrawal rate			
Present value of obligation at the end of the year			
a) withdrawal rate Increase	316.21	255.48	239.47
b) withdrawal rate decrease	317.84	259.35	239.27
d)Impact of change in mortality rate			
Present value of obligation at the end of the year			
a) Impact due to increase	317.18	257.28	239.46

Notes to consolidated financial statements for the year ended 31st March 2018

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

Maturity profie of defined benefit obligation

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Weighted average duration of the defined benefit obligation years	5.61	5.90	5.98
Projected benefit obligation amount	317.14	257.26	239.42
Accumulated benefit obligation amount	237.67	189.01	176.73

Payout analysis

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
1st year	66.43	41.98	40.59
2nd year	39.87	34.26	28.82
3rd year	41.81	31.75	33.14
4th year	29.96	34.46	29.51
5th year	34.39	23.67	32.60
Next 5 year payout (6-10 year)	139.67	113.61	105.52

(b) Defined benefit obligations - Gratuity (Non funded) (Subsidiary company)

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. As per the policy of the Group, obligations on account of payment of gratuity of an employee is settled only on termination / retirement of the employee. Gratuity is provided in the books on the basis of Actuarial Valuation. It is an unfunded plan in respect of subsidiary having employees.

Particulars	2017 - 2018	2016 - 2017
Discount Rate (per annum)	7.73%	7.32%
Salary Escalation (per annum)	7.00%	7.00%
Attrition Rate (per annum)	5.00%	5.00%
Mortality Rate	Indian Assured lives Mortality (2006-08)	Indian Assured lives Mortality (2006-08)

Changes in the present value of obligations	**2017 - 2018**	**2016 - 2017**
Liability at the beginning of the year	27.28	17.99
Interest cost	1.88	1.32
Current service cost	5.55	12.19
Benefits paid	(5.96)	(3.63)
Actuarial (gain)/loss on obligations	(15.16)	(0.59)
Liability at the end of the year	**13.59**	**27.28**

Table of recognition of actuarial gain / loss	**2017 - 2018**	**2016 - 2017**
Actuarial (gain)/ loss on obligation for the year	(15.16)	(0.59)
Actuarial (gain)/ loss on assets for the year		
Actuarial (gain)/ loss recognised in Statement of Profit and Loss	**(15.16)**	**(0.59)**

Breakup of actuarial (gain) /loss:	**2017 - 2018**	**2016 - 2017**
Actuarial loss/(gain) arising from change in demographic assumption	-	-
Actuarial loss arising from change in financial assumption	(0.71)	2.05
Actuarial loss/(gain) arising from experience	(14.44)	(2.64)
Total	**(15.16)**	**(0.59)**

Amount recognized in the Balance Sheet:	**As at 31st March 2018**	**As at 31st March 2017**
Liability at the end of the year	13.59	27.28
Fair value of plan assets at the end of the year	-	-
Amount Recognized in the Balance Sheet	**13.59**	**27.28**

Notes to consolidated financial statements for the year ended 31st March 2018

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

Expenses recognized in the Income Statement:	2017 - 2018	2016 - 2017
Current service cost	5.55	12.19
Interest cost	1.88	1.32
Benefits paid	(5.96)	-
Actuarial (Gain)/Loss	(15.16)	(0.59)
Expense / (income) recognized in Income Statement	**(13.69)**	**12.92**

Balance sheet reconciliation	As at 31st March 2018	As at 31st March 2017
Opening net liability	27.28	17.99
Expense recognised in Statement of Profit and Loss	(13.69)	9.29
Amount Recognized in Balance Sheet	**13.59**	**27.28**
Non current portion of defined benefit obligation	13.30	26.46
Current portion of defined benefit obligation	0.29	0.82

Sensitivity analysis of benefit obligation

Particulars	2017-18	2016-17	2015-16
a) Impact of change in discount rate			
Present value of obligation at the end of the year			
a) Impact due to increase of 1%	12.06	24.25	15.97
b) Impact due to decrease of 1%	15.43	30.90	20.42
b) Impact of change in salary growth			
Present value of obligation at the end of the year			
a) Impact due to increase of 1%	15.37	30.77	20.34
b) Impact due to decrease of 1%	12.08	24.31	16.00
c) Impact of change in attrition rate			
Present value of obligation at the end of the year			
a) Impact due to increase of 1%	13.38	26.94	17.80
b) Impact due to decrease of 1%	13.80	27.63	18.18
d) Impact of change in mortality rate			
Present value of obligation at the end of the year			
a) Impact due to increase of 10%	13.59	27.28	17.99

Maturity profie of defined benefit obligation

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Weighted average duration of the defined benefit obligation	15.36	15.16	15.33
Projected benefit obligation	13.59	27.28	17.99
Accumulated benefit obligation	6.64	13.53	-

Payout analysis

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
1st year	0.31	0.29	0.82
2nd year	0.32	0.28	0.78
3rd year	0.67	0.54	0.74
4th year	0.69	0.52	0.94
5th year	0.29	0.02	0.95
Next 5 year payout (6-10 year)	2.61	1.52	3.06

(c) Compensated absences (non-funded)

As per the policy of the group, obligations on account of benefit of accumulated leave of an employee is settled only on termination / retirement of the employee. Such liability is recognised on the basis of actuarial valuation following Project Unit Credit Method.(In case of holding company and one subsidiary company)

Notes to consolidated financial statements for the year ended 31st March 2018

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

Risks associated with plan provisions

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such group is exposed to various risks as follows:

Interest rate risk	The defined benefit obligation is calculated using a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
Salary inflation risk	Higher than expected increases in salary will increase the defined benefit obligation.
Demographic risk	This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria.

For determination of the liability in respect of compensated absences, the group has used following actuarial assumptions:

Particulars	2017-18	2016-17
Discount rate	7.3%-7.73%	6.95%-7.32%
Salary escalation	6.50%-7.00%	6.50%-7.00%
Attrition rate	10.00%-5.00%	10.00%-5.00%
Mortality rate	Indian Assured lives Mortality (2006-08)	Indian Assured lives Mortality (2006-08)

Changes in the present value of obligations:

Particulars	2017-18	2016-17
Liability at the beginning of the year	259.53	227.82
Interest cost	16.92	15.00
Current service cost	73.40	58.42
Benefits paid	(66.88)	(61.12)
Actuarial (gain)/loss on obligations	23.53	19.41
Provision for Casual Leave	7.55	-
Liability at the end of the year	**314.05**	**259.53**

Table of recognition of actuarial (gain) / loss :

Particulars	2017-18	2016-17
Actuarial (gain)/loss on obligation for the year	23.53	19.41
Actuarial (gain)/loss on assets for the year	-	-
Actuarial (gain)/loss recognized in Statement of Profit and Loss	**23.53**	**19.41**

Breakup of actuarial (gain) /loss:

Particulars	2017-18	2016-17
Actuarial loss/(gain) arising from change in demographic assumption	-	2.22
Actuarial loss arising from change in financial assumption	5.85	6.52
Actuarial loss/(gain) arising from experience	17.68	10.67
Total	**23.53**	**19.41**

Amount recognized in the Balance Sheet:

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Liability at the end of the year	314.05	259.53	227.81
Fair value of plan assets at the end of the year	-	-	
Amount recognized in the Balance Sheet	**314.05**	**259.53**	**227.81**

Expenses recognized in the Statement of profit and loss:

Particulars	2017-18	2016-17
Current service cost	73.41	58.42
Interest cost	16.92	15.00
Expected return on plan assets	-	-
Benefits paid	(66.88)	(61.12)
Actuarial (Gain)/Loss	23.53	19.41
Expense recognized in Statement of Profit and Loss	**46.98**	**31.71**

Notes to consolidated financial statements for the year ended 31st March 2018

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

Balance Sheet Reconciliation

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Opening net liability	259.53	227.82	219.19
Expense recognised in Statement of Profit and Loss	46.98	31.71	(19.87)
Casual Leave Expenses	7.54		
Amount recognized in Balance Sheet	**314.05**	**259.53**	**199.32**
Non-current portion of defined benefit obligation	218.09	185.68	141.91
Current portion of defined benefit obligation	95.96	73.85	57.41

Sensitivity analysis of benefit obligation (Leave encashment)

Particulars	2017-18	2016-17	2015-16
a)Impact of change in discount rate			
Present value of obligation at the end of the year			
a) Impact due to increase of 0.5%	327.62	252.95	220.38
b) Impact due to decrease of 0.5%	347.59	266.65	236.20
b)Impact of change in salary growth			
Present value of obligation at the end of the year			
a) Impact due to increase of 0.5%	345.11	265.46	233.90
b) Impact due to decrease of 0.5%	329.55	253.80	222.09
c)Impact of change in withdrawal rate			
Present value of obligation at the end of the year			
a) withdrawal rate Increase	335.39	258.56	228.17
b) withdrawal rate decrease	339.34	260.74	227.53
d)Impact of change in mortality rate			
Present value of obligation at the end of the year			
a) Impact due to increase	337.17	259.52	227.83

Maturity profile of defined benefit obligation

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Weighted average duration of the defined benefit obligation	20.57	20.36	21.28
Projected benefit obligation	285.03	241.41	213.60

Payout analysis

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
1st year	65.01	54.66	45.42
2nd year	40.85	36.53	25.49
3rd year	38.33	32.11	24.25
4th year	30.90	29.46	22.24
5th year	29.22	23.56	23.37
Next 5 year payout (6-10 year)	112.54	94.87	83.66

47 Leases

(a) Asset given under operating lease

The Group has given shops, office premises and hotel property under operating lease under non-cancellable operating leases. The Company has recognised Management fees income of ₹ 190.05 lakhs during the year (Previous year: ₹ 217.94 lakhs). The contractual future minimum lease payment receivables in respect of these leases are:

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Not later than one year	146.17	186.77	184.10
Later than one year and not later than five years	64.15	195.11	143.53
Later than five years	-	-	-
	210.32	**381.88**	**327.63**

Total contingent rent income (in the form of management fees) recognised during the year ₹ 9.32 lakhs (Previous year: ₹ 8.37 lakhs).

Notes to consolidated financial statements for the year ended 31st March 2018

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

Note:

(i) With respect to hotel property given under operation and management agreement, Company gets management fees calculated based on percentage of revenue earned by the lessee from this property. Since future revenue is based on percentage of revenue which is contingent in nature, other disclosures as required under Ind AS 17 - 'Leases' are not quantifiable with respect to such arrangement as at the balance sheet date.

(b) Asset taken under operating lease

The group has taken hotel property under operating lease under non-cancellable operating leases. The group has recognised management fees/ rent expenses of ₹ 299.56 lakhs during the year (Previous year: ₹ 303.05 lakhs). The contractual future minimum lease payable in respect of these leases are:

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Not later than one year	316.63	305.67	307.78
Later than one year and not later than five year	1,421.23	1,411.83	1,460.59
Later than five year	11,687.35	11,970.04	12,252.64
	13,425.21	**13,687.54**	**14,021.01**

Note:

(i) With respect to hotel properties/ land taken under lease/ operation and management arrangement, group is liable to pay management fees/ rent based on gross operating profits, revenue etc. Since future revenue is contingent in nature, other disclosures as required under Ind AS 17 - 'Leases' are not quantifiable with respect to such arrangements as at the balance sheet date.

48 Note on Cash Flow Statement

i) The aggregate amount of outflow on account of direct taxes paid is ₹ 89.93 lakhs (Previous year: ₹ 46.78 lakhs)

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

Particulars	Opening balance	Cash flows	Non-cash changes	Closing balance
	1st April 2017	2017-2018		31st March 2018
Borrowings (including interest dues)	71,841.37	(7,763.79)	3,805.26	60,272.32
Total	**71,841.37**	**(7,763.79)**	**3,805.26**	**60,272.32**

49 Disclosures as required by Indian Accounting Standard (Ind AS) 108 - Operating Segments

There are no reportable segments under Ind AS-108 'Operating Segments' as the Group is operating only in the hospitality service segment, therefore, disclosures of segment wise information is not applicable. Further, no single customer represents 10% or more of the group's total revenue during the year ended 31st March 2018 and 31st March 2017.

50 Going concern assumption

i) As per standalone financial statements of holding company, its 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 are significantly higher than the debts, financial statements of holding company have been prepared on a going concern basis which contemplates realisation of assets and settlement of liabilities in the normal course of holding company business.

ii) Subsidiary company (OHPPL) 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.

iii) Subsidiary company (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.

Notes to consolidated financial statements for the year ended 31st March 2018

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

iv) There are accumulated losses, negative net worth and negative working capital in Holding company and two subsidiaries(OHPPL & MPPL). For preparation of standalone financials of Holding company and two subsidiaries, going concern assumption is considered appropriate by the management as appropriate steps are being taken to mitigate the impact of accumulated losses and improve cash flows. In view of the above and considering management's opinion, the consolidated one Financial Statements of the group have also been prepared on a going concern basis.

51 Additional information as required under schedule III to the Companies Act, 2013, of the enterprises consolidated as subsidiary are as given below.

31st March, 2018

Name of the Entity	Net Assets		Share in total comprehensive income	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount
Holding Company				
Kamat Hotels (India) Limited	31.55%	(5,176.69)	-19.71%	3,785.13
Subsidiaries				
Orchid Hotels Pune Private Limited	163.00%	(26,746.71)	118.75%	(22,810.71)
Kamats Restaurants (India) Pvt Ltd	0.00%	0.01	0.00%	(0.43)
Mahodadhi Palace Private Limited	5.16%	(846.22)	0.34%	(65.42)
Fort Jadhavgadh Hotels Private Limited	0.01%	(0.84)	0.00%	(0.40)
Orchid Hotels Eastern (I) Private Limited (formally known as Green Dot Restaurants Private Limited	-0.19%	31.13	0.00%	(0.31)
Joint Venture				
Ilex Developers and Resorts Limited	-2.58%	422.55	-0.72%	137.93
Consolidation Adjustment / Eliminations	-96.95%	15,908.19	1.32%	(254.23)
Total	**100.00%**	**(16,408.57)**	**100.00%**	**(19,208.44)**

31st March, 2017

Name of the Entity	Net Assets		Share in total comprehensive income	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount
Holding Company				
Kamat Hotels (India) Limited	-320.08%	(8,961.83)	91.89%	3,832.11
Subsidiaries				
Orchid Hotels Pune Private Limited	-140.58%	(3,936.00)	-17.23%	(718.72)
Kamats Restaurants (India) Pvt Ltd	0.02%	0.44	0.00%	(0.13)
Mahodadhi Palace Private Limited	-27.89%	(780.80)	-2.62%	(109.43)
Fort Jadhavgadh Hotels Private Limited	-0.02%	(0.44)	0.00%	(0.09)
Green Dot Restaurants Private Limited	1.12%	31.44	0.00%	0.14
Joint Venture				
Ilex Developers and Resorts Limited	10.17%	284.61	-2.18%	(91.07)
Consolidation Adjustment / Eliminations	100%	16,162.44	30.15%	1,257.43
Total	**100.00%**	**2,799.87**	**100.00%**	**4,170.25**

Notes to consolidated financial statements for the year ended 31st March 2018

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

52 Financial instruments - Accounting classifications & fair value measurement

(a) Financial instruments by category

Sr. No.	Particulars	31st March 2018			31st March 2017			1st April 2016		
		Amortised Cost	FVTOCI	FVTPL	Amortised Cost	FVTOCI	FVTPL	Amortised Cost	FVTOCI	FVTPL
A	**Financial assets**									
(i)	Non-current investments	-	-	11.05	-	-	11.12	-	-	93.29
(ii)	Other non-current financial asset	1,925.81	-	-	1,868.82	-	-	1,799.58	-	-
(iii)	Trade receivables (net)	1,688.02	-	-	858.21	-	-	1,188.89	-	-
(iv)	Cash and cash equivalents	532.10	-	-	796.03	-	-	1,248.29	-	-
(v)	Other bank balances	81.12			49.19			46.69		
(vi)	Other current financial assets	649.31	-	-	6,910.26	-	-	4,038.67	-	-
(vii)	Investments	5.00	-	-	97.30			4.16		-
(viii)	Loans	8.78	-	-	13.90			30.20		
	Total financial assets	**4,890.13**	**-**	**11.05**	**10,593.71**	**-**	**11.12**	**8,356.48**	**-**	**93.29**
B	**Financial liabilities**									
(i)	Non-current borrowings	16,882.06	-	-	31,969.65	-	-	29,470.33	-	-
(ii)	Other financial liabilities	826.49			1,332.64			1,695.78		
(iii)	Current borrowings	72.38	-	-	139.13	-	-	914.02	-	-
(iv)	Trade payables	2,033.47	-	-	1,552.86	-	-	1,680.24	-	-
(v)	Other current financial liabilities	42,511.60	-	-	38,986.81	-	-	42,409.07	-	-
	Total financial liabilities	**62,326.01**	**-**	**-**	**73,981.09**	**-**	**-**	**76,169.44**	**-**	**-**

FVTOCI - Fair Value Through Other Comprehensive Income
FVTPL - Fair Value Through Profit or Loss
Note: Above disclosure excludes investment (gross) in joint venture amounting to ₹ 533.00 lakhs as on 31st March, 2018 (As at 31st March 2017: ₹ 533.00 lakhs and as at 1st April 2016: ₹ 533.00 lakhs) as these are valued at cost in accordance with Ind AS 27 - 'Separate Financial Statement'.

(b) Fair valuation techniques

The group maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The management assessed that fair value of Trade receivables (net), Cash and cash equivalents, Other current financial assets, Current borrowings, Trade payables and Other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Further, the management has assessed that fair value will be approximate to their carrying amounts as they are priced to market interest rates on or near the end of reporting period.

(c) Fair value hierarchy

Financial assets and financial liabilities are measured at fair value in the financial statement and are grouped into three levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Notes to consolidated financial statements for the year ended 31st March 2018

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

(d) Financial assets/ liabilities measured at fair value

The following table represents the fair value heirarchy of assets and liabilites measured at fair value on a recurring basis.

Particulars	Level	31st March 2018		31st March 2017		1st April 2016	
		Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
Financial assets							
Non-current investments	Level 1	0.03	0.08	0.03	0.04	0.03	0.04
Non-current investments	Level 2	5.01	10.96	5.01	10.96	5.01	11.64
Total financial assets		**5.03**	**11.05**	**5.03**	**11.01**	**5.03**	**11.68**

(e) Fair value of instruments measured at amortised cost:

Particulars	Level	31st March 2018		31st March 2017		1st April 2016	
		Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
Financial assets							
Investment	Level 3	5.03	11.05	5.14	11.12	76.60	93.29
Loans	Level 3	1,925.81	1,925.81	1,868.82	1,868.82	1,799.58	1,799.58
Total financial assets		**1,930.84**	**1,936.86**	**1,873.97**	**1,879.94**	**1,876.18**	**1,892.87**
Financial liabilities							
Borrowings	Level 3	16,882.06	16,882.06	31,969.65	31,969.65	29,470.33	29,470.33
Other financial liabilities	Level 3	826.49	826.49	1,332.64	1,332.64	1,695.78	1,695.78
Total financial liabilities		**17,708.55**	**17,708.55**	**33,302.29**	**33,302.29**	**31,166.11**	**31,166.11**

Notes:

(i) The above disclosures are given only for non-current financial assets and non-current financial liabilities. Short term financial assets and current financial liabilities (investment, cash and cash equivalents, other receivables, trade payables and other current financial liabilities) represents the best estimate of fair value.

(ii) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the group could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

(iii) There have been no transfers between Level 1 and Level 2 for the years ended March 31, 2018, March 31, 2017 and April 1, 2016.

53 Risk mangement framework

The Group 's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors of holding company and respective subsidiary companies has established the Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The Committee reports regularly to the Board of Directors on its activities. The Group's risk management policies are established to identify and analyse the risk faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The holding company Audit Committee oversees how management monitors compliance with the risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by internal audit team. Internal audit team undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

The group has exposure to the following risks arising from financial instruments:

• Credit risk;

• Liquidity risk;

• Market risk

(a) Credit risk :

Credit risk arises from the possibility that customers or counterparty to financial instruments may not be able to meet their obligations. To manage this, the group periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Credit risks arises from cash and cash equivalents, deposits with banks, financial institutions and others, as well as credit exposures to customers, including outstanding receivables.

Notes to consolidated financial statements for the year ended 31st March 2018

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

The group considers factors such as track record, size of institutions, market reputation and service standards to select banks with which balances and deposits are maintained. the balances and fixed deposits are generally maintained with the banks with whom the group has regular transactions. Further, the group does not maintain significant cash in hand other than those required for its day to day operations. Considering the same, the groupis not exposed to expected credit loss of cash and cash equivalent and bank balances.

The group has established a credit policy under which each new customer is analysed individually for creditworthiness before entering into contract. Sale limits are established for each customer, reviewed regularly and any sales exceeding those limits require approval from the appropriate authority. There are no significant concentrations of credit risk within the group.

(b) Liquidity risk :

Liquidity risk is the risk that the group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to group's reputation.

Management monitors rolling forecasts of the group's liquidity position and cash and cash equivalents on the basis of expected cash flows to ensure it has sufficient cash to meet operational needs. Such forecasting takes into consideration the groups's debt financing plans, covenant compliance and compliance with internal statement of financial position ratio targets.

(i) Maturities of financial liabilities:

The following are the remaining contractual maturities of financial liabilities at the reporting date:

Particulars	Less than 1 year	1 to 5 year	Above 5 years	Total
As at 31st March 2018				
Borrowings		16,882.06	-	16,882.06
Trade payables	2,033.47		-	2,033.47
Other financial liabilities	0.00	808.02	18.47	826.49
Other current financial liabilities	42,511.60	-	-	42,511.60
As at 31st March 2017				
Borrowings	-	31,969.65	-	31,969.65
Trade payables	1,552.86	-	-	1,552.86
Other financial liabilities		1,316.15	16.49	1,332.64
Other current financial liabilities	38,986.81			38,986.81
As at 1st April 2016				
Borrowings	-	29,470.33	-	29,470.33
Trade payables	1,680.24	-	-	1,680.24
Other financial liabilities		1,681.06	14.73	1,695.78
Other current financial liabilities	42,409.07			42,409.07

(c) Market risk

Market risk is the risk that the changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The pre dominant currency of the group's revenue and operating cash flows is Indian Rupees (INR). Group has earnings in foreign currency. There is no foreign currency risk as there is no outstanding foreign currency exposure at the year end.

(i) **Interest Rate Risk**

The Group has taken term loans from bank and others (including loan assigned by banks on one time settlement). With respect to loans which are settled with banks or assigned to asset reconstruction companies aggregating to ₹ 35,332.79 lakhs as at 31st March 2018 (as at 31st March 2017 ₹ 42,913.23 lakhs and as at 1st April 2016 ₹ 45,210.07 lakhs), there is no interest payable. Other borrowings attracts fixed rate of interest. Therefore, there are no interest rate risks, since neither the carrying amount nor the future cash flows will fluctuate because of change in market interest rates.

54 Capital risk management

The group manages its capital to ensure that it will be able to continue as a going concern so, that they can continue to provide returns for shareholders and benefits for other stakeholders and maintain an optimal capital structure to reduce cost of capital. The group manages its capital structure and makes adjustement to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Notes to consolidated financial statements for the year ended 31st March 2018

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

Consistent with others in the industry, the group monitors capital on the basis of the gearing ratio. The ratio is calculated as net debt divided by equity. Net debt is calculated as total borrowing (inculding current and non-current terms loans as shown in the balance sheet).

The group monitors capital using 'net Debt' to 'Equity'. The Company's net debt to equity are as follows:

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Total debt*	54,706.33	62,056.95	64,746.73
Total capital (total equity shareholder's fund)	(16,408.57)	2,799.87	(1,370.39)
Net debt to equity ratio	(3.33)	22.16	(47.25)

* Net debt = Non-current borrowings + current borrowings + current maturities of non-current borrowings

The holding company and subsidiary company's management are taking approprate steps to improve cashflows operations,settlement with lenders etc and improving debts to entity ratio.

55 Disclosure as required by Ind AS 101 - First time adoption of Indian Accounting Standards

(a) Basis of preparation

These are the group's first financial statements prepared in accordance with Ind AS. For the periods up to and including the year ended 31 March 2017, the group had prepared its financial statements in accordance with Indian GAAP.

Accordingly, the group has prepared financial statements which comply with Ind AS applicable for the year ended 31st March 2018, together with the comparative period data as at and for the year ended 31st March 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the group's opening balance sheet was prepared as at 1st April 2016 being the group's date of transition to Ind AS. This note explains the principal adjustments made by the group in restating its Indian GAAP financial statements, including the balance sheet as at 1st April 2016 and the financial statements as at and for the year ended 31st March 2017 to Ind AS.

(b) Previous year figures have been regrouped/reclasssified in IGAAP wherever necessary to conform with financial statements prepared as per Ind AS.

(c) Exemption availed

"Ind AS 101 - First-time adoption of Indian Accounting Standards" allows first time adopters certain exemptions from the retrospective application of certain Ind AS. The group has applied the following optional exemption:

(i) Deemed cost of property, plant and equipment, intangible asset and investment property

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment and intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous Indian GAAP and use that as its deemed cost as at the date of transition. Accordingly, the group has elected to measure all of its property, plant and equipment and intagible assets at their previous Indian GAAP carrying value.

(ii) Business combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date. The Group elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

(iii) Investment joint venture entity

Ind AS 101 permits a first-time adopter to continue previous GAAP carrying value for investment in equity instrument of subsidiaries, associates and joint ventures. Accordingly, the group has elected to apply the said exemption.

(d) Estimates

The estimates at 1st April 2016 and at 31st March 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) except in respect of impairment of financial assets based on expected credit loss model where application of Indian GAAP did not require estimation.

The estimates used by the group to present impairment of financial assets based on the expected credit loss model is in accordance with Ind AS which reflect conditions as at 1st April 2016, the date of transition to Ind AS and as of 31st March 2017.

(e) Reconciliation between previous India GAAP and Ind AS

Ind AS 101 requires the group to reconcile the effects of the transition from Indian GAAP to Ind AS on the equity as at 1st April 2016 and 31st March 2017 and on the total comprehensive loss and cash flows for the year ended 31st March 2017:

Notes to consolidated financial statements for the year ended 31st March 2018

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

(i) Reconciliation of equity as on 1st April 2016 (i.e. date of transition to Ind AS)

	Reference	Indian GAAP	Adjustments	Ind AS
ASSETS				
Non-current assets				
a) Property, plant and equipment	55(c)(i),55(f) (iii) & 55(f) (iv)	65,209.69	(1,934.58)	63,275.11
b) Intangible assets		33.63	(0.48)	33.15
c) Capital work-in-progress		29.09	(0.02)	29.07
d) Intangible assets under development		11.10	0.02	11.12
e) Investment property	55(c)(i) & 55(f) (iii)	-	1,157.27	1,157.27
f) Goodwill on consolidation	55(f)(vii)	3,218.50	(3,218.50)	-
g) Investments in joint venture		-	375.69	375.69
h) Financial assets			-	
i) Investments	55(f) (ii)	86.65	6.64	93.29
ii) Loans and advances	55(f) (iv)	8,227.16	(6,427.58)	1,799.58
i) Deferred tax assets (Net)	55(f) (iv)	155.97	(155.97)	-
j) Income tax assets (Net)	55(f) (iv)	994.73	38.83	1,033.56
k) Other non current assets	55(f) (i) & 55(f) (iv)	3.52	4,306.38	4,309.90
(A)		**77,970.04**	**(5,852.30)**	**72,117.74**
Current assets				
a) Inventories		568.95	(8.63)	560.32
b) Financial assets			-	
i) Investments		4.16	0.00	4.16
ii) Trade receivables		1,095.34	93.55	1,188.89
iii) Cash and bank balances		634.48	613.81	1,248.29
iv) Bank balances other than (iii) above		720.34	(673.65)	46.69
v) Loans	55(f) (iv)	937.82	(907.62)	30.20
vi) Other current financial assets	55(f) (iv)	3,433.90	604.77	4,038.67
c) Other current assets	55(f) (iv)	178.19	93.94	272.12
(B)		**7,573.18**	**(183.83)**	**7,389.34**
TOTAL (A + B)		**85,543.22**	**(6,036.14)**	**79,507.08**
EQUITY AND LIABILITIES				
Equity				
a) Equity share capital		2,417.26	(0.00)	2,417.26
b) Other equity		(763.59)	(3,024.06)	(3,787.65)
(A)	55(iv)	**1,653.67**	**(3,024.06)**	**(1,370.39)**
Liabilities				
Non-current liabilities				
a) Financial liabilities				
i) Borrowings	55(f) (i) & 55(f) (iv)	30,127.93	(657.60)	29,470.33
ii) Other financial liabilities	55(f) (i)	1,777.65	(81.87)	1,695.78
b) Provisions		189.83	(5.63)	184.20
c) Deferred tax liabilities (Net)	55(f)(vi) & (vii)	1,757.39	(1,523.36)	234.03
(B)		**33,852.80**	**(2,268.46)**	**31,584.35**
Current liabilities				
a) Financial liabilities				
i) Short term borrowings		772.43	141.59	914.02
ii) Trade payables			-	
- Amount due to Micro and small enterprises		24.62	-	24.62
- Amount due to other than Micro and small enterprises	55(f) (iv)	3,632.08	(1,976.46)	1,655.62
iii) Other financial liabilities	55(f) (i) & 55(f) (iv)	41,746.34	662.73	42,409.07
b) Other current liabilities	55(f) (iv)	3,702.56	429.07	4,131.63
c) Provisions		158.72	(0.55)	158.17
(C)		**50,036.75**	**(743.62)**	**49,293.13**
TOTAL (A+B+C)		**85,543.22**	**(6,036.14)**	**79,507.08**

Notes to consolidated financial statements for the year ended 31st March 2018

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

(ii) Reconciliation of equity as on 31st March 2017

	Reference	Indian GAAP	Adjustments	Ind AS
ASSETS				
a) Property, plant and equipment	55(c)(i),55(f) (iii) & 55(f) (iv)	63,024.27	(1,983.53)	61,040.74
b) Intangible assets		34.99	(0.50)	34.49
c) Capital work-in-progress		54.07	(11.12)	42.95
d) Intangible assets under development		-	11.12	11.12
e) Investment property	55(c)(i) & 55(f) (iii)	-	1,132.28	1,132.28
f) Goodwill on consolidation	55(f)(vii)	3,218.50	(3,218.50)	-
g) Investments in joint venture		-	284.61	284.61
h) Financial assets				
i) Investments	55(f) (ii)	5.13	5.99	11.12
ii) Loans and advances	55(f) (iv)	8,217.22	(6,348.40)	1,868.82
i) Deferred tax assets (Net)	55(f) (iv)	167.19	(167.19)	-
k) Income tax assets (Net)	55(f) (iv)	1,101.85	21.90	1,123.75
j) Other non current assets	55(f) (i) & 55(f) (iv)	12.96	4,144.79	4,157.75
(A)		**75,836.18**	**(6,128.55)**	**69,707.63**
Current Assets				
a) Inventories		531.63	(9.83)	521.80
b) Financial assets		-		
i) Investments		97.30	(0.00)	97.30
ii) Trade receivables		874.24	(16.03)	858.21
iii) Cash and bank balances		443.71	352.32	796.03
iv) Bank balances other than (iii) above		517.30	(468.11)	49.19
v) Loans	55(f) (iv)	924.55	(910.65)	13.90
vi) Other current financial assets	55(f) (iv)	6,277.29	632.97	6,910.26
c) Other current assets	55(f) (iv)	222.42	92.58	315.00
(B)		**9,888.44**	**(326.75)**	**9,561.69**
TOTAL (A + B)		**85,724.62**	**(6,455.30)**	**79,269.32**
EQUITY AND LIABILITIES				
Equity				
a) Equity share capital		2,417.26	(0.00)	2,417.26
b) Other equity		3,689.29	(3,306.68)	382.61
(A)	55(iv)	**6,106.55**	**(3,306.69)**	**2,799.86**
Liabilities				
Non-current liabilities				
a) Financial liabilities				
i) Borrowings	55(f) (i) & 55(f) (iv)	33,574.77	(1,605.12)	31,969.65
ii) Other financial liabilities	55(f) (i)	1,577.78	(245.14)	1,332.64
b) Provisions		260.51	(48.38)	212.13
c) Deferred tax liabilities (Net)	55(f) (vi) & 55(f) (vii)	1,708.46	(1,449.12)	259.34
d) Other non-current liabilities		-	-	
(B)		**37,121.52**	**(3,347.76)**	**33,773.76**
Current liabilities				
a) Financial liabilities		-	139.13	139.13
(i) Trade payables			-	
- Amount due to Micro and small enterprises		25.02	(0.00)	25.02
- Amount due to other than Micro and small enterprises		2,593.48	(1,065.63)	1,527.85
(ii) Other financial liabilities	55(f) (i) & 55(f) (iv)	39,664.56	(677.75)	38,986.81
b) Other current liabilities		-	1,808.14	1,808.14
c) Provisions		213.49	(4.75)	208.74
(C)		**42,496.55**	**199.15**	**42,695.70**
TOTAL (A+B+C)		**85,724.62**	**(6,455.30)**	**79,269.32**

Notes to consolidated financial statements for the year ended 31st March 2018

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

(iii) Reconciliation of Statement of profit and loss for the year ended 31st March 2017

	Reference	Indian GAAP	Adjustments	Ind AS
Income				
Revenue from operations	55(f) (iv)	18,545.29	(224.65)	18,320.64
Other income	55(f) (iv) & 55(f) (ii)	997.15	(26.29)	970.86
		19,542.44	**(250.94)**	**19,291.50**
Total income (A)				
Expenses				
Cost of materials consumed		1,678.08	(43.22)	1,634.86
Employee benefit expenses	55(f) (v)	4,276.65	(82.86)	4,193.79
Finance costs	55(f) (i)	2,829.87	(13.54)	2,816.33
Depreciation and amortisation	55(f) (vii)	2,329.40	50.50	2,379.90
Other expenses	55(f) (i)	7,086.25	19.48	7,105.73
Total expenses (B)		**18,200.25**	**(69.64)**	**18,130.61**
Profit/(Loss) before share of profit / (loss) of joint venture, exceptional items & tax (A - B) (C)		**1,342.19**	**(181.30)**	**1,160.89**
Exceptional item - Income / (expense)		3,061.76	(0.00)	3,061.76
Share of Profit / (loss) Accounted as per Equity Method		-	(91.07)	(91.07)
Profit/(loss) before tax (D)		4,403.95	(272.37)	4,131.58
Tax expense:				
- Current tax		-	11.21	11.21
- Deferred tax charge/ (credit) (net)	55(f) (vii)	(48.92)	13.79	(35.13)
		(48.92)	25.00	(23.92)
Profit/(loss) after tax (G - H)(I)		**4,452.87**	**(297.37)**	**4,155.50**
Other comprehensive income / (loss)				
a) (i) Items not to be reclassified subsequently to statement of Profit and Loss				
- Remeasurement of defined benefit plans - gain/(loss)	55(f) (v)	-	20.82	20.82
(ii) Income tax relating to items that will be classified to profit or loss	55(f) (v)	-	(6.07)	(6.07)
b) (i) Items that will be reclassified subsequently to statement of Profit and Loss		-	-	-
Other comprehensive income/ (loss) for the year (J)		**-**	**14.75**	**14.75**
Total comprehensive income/ (loss) for the year (I + J)		**4,452.87**	**(282.62)**	**4,170.25**

Notes to consolidated financial statements for the year ended 31st March 2018

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

(iv) Equity reconciliation

Particulars	Reference	As at 31st March 2017	As at 1st April 2016
Total equity (shareholder's fund) as per Indian GAAP		**6,106.54**	**1,653.67**
Adjustments:			
Fair valuation of security deposit	55(f) (ii)	(2,282.65)	(2,210.91)
Fair value of club deposits	55(f) (i)	22.43	18.49
Fair valuation of investmets	55(f) (ii)	5.98	6.64
Fair valuation of bond deposit	55(f) (i)	82.04	65.64
Amortisation of loan as per effective interest method	55(f) (i)	892.50	992.98
Amortisation of leasehold land	55(f) (ix)	(209.68)	(209.68)
Upfront fees on land	55(f) (i)	3.00	3.00
Sales tax deferral	55(f) (i)	(1.27)	-
Share of profit - Joint ventures		43.64	(15.15)
Deferred tax on above Ind AS adjustment	55(f) (vi)	474.26	461.62
Prior period adjustements	55(f) (vii)	(2,336.93)	(2,136.68)
Total impact (shareholder's fund) as per Ind AS		**2,799.86**	**(1,370.39)**

(v) Reconciliation of total comprehensive income for the year ended 31st March 2017

Particulars	Reference	For the year ended 31st March 2017
Profit/(Loss) after tax as per I GAAP		**4,452.89**
Actuarial (gain)/loss on defined benefit liabilities reclassified to Other Comprehensive Income	55(f) (v)	(20.82)
Fair valuation of financial assets and liabilities	55(f) (ii)	(117.90)
Fair valuation of rental deposits (net)	55(f) (ii)	(53.74)
Fair valuation of sales tax deferral (government loan)	55(f) (ii)	(1.28)
Fair valuation of refundable membership deposits	55(f) (ii)	(15.25)
Interest on borrowings is now measured at amortised costs	55(f) (i)	(6.98)
Amortisation of upfront fees	55(f) (i)	(15.15)
Fair valuation of quoted investments	55(f) (ii)	0.68
Deferred tax on Ind AS adjustments	55(f) (vi)	73.08
Prior period adjustments(net)	55(f) (vii)	(140.02)
Total comprehensive Profit/(Loss) as per Ind AS (A)		**4,155.50**
Add: Other comprehensive income (net of tax) (B)	55(f) (v)	14.75
Total comprehensive income (A+B)		**4,170.25**

(vi) Impact of Ind AS on statement of cash flows for the year ended 31st March 2017

	Reference	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	55(f) (vii)	6,457.90	(3,483.43)	2,974.47
Net cash flow (used in) investing activities	55(f) (vii)	393.33	(64.62)	328.71
Net cash flow (used in) financing activities	55(f) (vii)	(7,036.96)	4,087.13	(2,949.83)
Net Increase / (Decrease) in Cash and Cash equivalents	55(f) (vii)	(185.73)	539.08	353.35

(f) Explanations for reconciliation of Balance Sheet as previously reported under IGAAP to Ind AS:

(i) Financial liabilities at amortised cost

Under Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognized in the statement of profit and loss over the tenure of the borrowing as part of the finance cost by applying the effective interest method. Under previous GAAP, these transaction costs were charged to statement of profit and loss on straight-line basis over the period of loan.

Under previous GAAP, financial liabilities were initially recognized at transaction price. Subsequently, any finance costs were recognized based on contractual terms. Under Ind AS, such financial instruments are initially recognized at fair value and subsequently carried at amortised cost determined using the effective interest rate. Any difference between transaction price and fair value affects profit and loss unless it quantifies for recognition as some other type of liability.

Notes to consolidated financial statements for the year ended 31st March 2018

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

(ii) Financial assets at amortised cost

Under previous GAAP, financial assets and security deposits paid were initially recognized at transaction price. Under Ind AS, such financial instruments are initially recognized at fair value and subsequently carried at amortised cost determined using the effective interest rate. Any difference between transaction price and fair value affects profit and loss unless it quantifies for recognition as some other type of asset.

(iii) Investment property

Under the previous GAAP, investment properties were presented as part of property, plant and equipment. Under Ind AS, investment properties are required to be separately presented on the face of the balance sheet. There is no impact on the total equity or profit as a result of this adjustment.

(iv) Reclassification of assets and liabilities on transition to Ind AS

On transition to Ind AS, assets and liabilities are reclassified in accordance with classification and disclosure requirement as per Ind AS.

(v) Other comprehensive income

Under Ind AS, all items of income and expense recognized in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognized in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes re-measurements of defined benefit plans. concept of other comprehensive income did not exist under previous GAAP. Tax component on the gain/ (loss) on fair value of defined benefit plans have been transferred to the OCI under Ind AS.

(vi) Tax impact of above adjustments

Retained earnings and statement of profit and loss has been adjusted consequent to the Ind AS transition adjustments with corresponding impact to deferred tax, wherever applicable.

(vii) Rectification of error made in previous GAAP are adjustment in opening equity of 1st April 2016:

- Short depreciation provided in earlier years;
- Error in amortization of non-refundable membership deposit;
- Short interest expenses accounted on club/ bond deposit;
- Short deferred tax liability accounted in earlier years;
- Write off of goodwill on consolidation

(viii) The impact of transition from Indian GAAP to IND AS on the Statement of Cash Flows is due to various reclassification adjustments recorded under IND AS in Balance Sheet, Statement of Profit & Loss and difference in the definition of cash and cash equivalents as per these two GAAP's.

(ix) Leasehold land considered as finance lease in previous GAAP is reclassified as operating lease and upfront fees paid is amortized over the period of lease.

(x) Other comprehensive income are considered and presented as per schedule III of Companies Act, 2013.

As per our audit report of even date
For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No. 116560W/ W100149

Sandeep Shah
Partner
Membership No. : 37381

Place: Mumbai
Date: 28th May 2018

For and on behalf of the Board of Directors

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

S.S.Thakur
Director
(DIN : 00001466)

B.C.Kamdar
Director
DIN: 01972386

Amit Vyas
Company Secretary

Smita Nanda
Chief Financial Officer

Place: Mumbai
Date: 28th May 2018

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Salient Features of Financial Statements of Subsidiaries / Joint Venture as per Companies Act, 2013

Part "A": Subsidiaries

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

Sr. No.	Name of the Subsidiary Company	The Date since Subsidiary was acquired	Year	Reporting Currency	Equity Share Capital	Other Equity	Total Assets	Total Liabilities	Investments	Revenue from Operations/ Other Income	Profit Before Taxation	Provision for Taxation	Profit after Taxation	Other Comprehensive Income	Total Comprehensive Income	Proposed Dividend	% of Shareholding
1	Orchid Hotels Pune Private Limited	21-05-2009	2017-2018	INR	1,176.47	(27,923.18)	17,687.87	44,434.59	-	3,142.37	(22,825.87)	-	(22,825.87)	15.16	(22,810.71)	Nil	100%
			2016-2017	INR	1,176.47	(5,112.47)	40,099.14	44,035.14	0.11	3,039.72	(719.31)	-	(719.31)	0.59	(718.72)	Nil	100%
2	Kamats Restaurants (India) Private Limited	28-05-2011	2017-2018	INR	1.00	(0.99)	0.29	0.28	-	-	(0.43)	-	(0.43)	-	(0.43)	Nil	100%
			2016-2017	INR	1.00	(0.56)	0.47	0.03	-	-	(0.13)	-	(0.13)	-	(0.13)	Nil	100%
3	Mahodadhi Palace Private Limited (Formerly Fort Mahodadhinivas Palace Private Limited)	30-04-2011	2017-2018	INR	1.00	(847.22)	1,847.86	2,694.08	-	38.75	(140.33)	74.91	(65.42)	-	(65.42)	Nil	100%
			2016-2017	INR	1.00	(781.79)	1,896.37	2,677.16	-	36.80	(158.34)	48.92	(109.42)	-	(109.42)	Nil	100%
4	Fort Jadhavgadh Hotels Private Limited	15-03-2012	2017-2018	INR	1.00	(1.84)	0.10	0.94	-	-	(0.40)	-	(0.40)	-	(0.40)	Nil	100%
			2016-2017	INR	1.00	(1.44)	0.17	0.61	-	0.04	(0.09)	-	(0.09)	-	(0.09)	Nil	100%
5	Orchid Hotels Eastern (I) Private Limited (Formerly Green Dot Restaurants Private Limited)	25-10-2012	2017-2018	INR	1.00	30.13	33.90	2.77	-	-	(0.31)	-	(0.31)	-	(0.31)	Nil	100%
			2016-2017	INR	1.00	30.44	34.05	2.61	-	0.28	0.13	0.01	0.14	-	0.14	Nil	100%

Salient Features of Financial Statements of Subsidiaries / Joint Venture as per Companies Act, 2013
Part "B": Joint Venture

				Shares held by the Company on the year end			Networth attributable to shareholding as per latest audited Balance Sheet	Profit/(Loss) for the year			
Sr. No.	Name of the Joint Venture	Latest Audited Balance Sheet date	Date on which the Joint Venture was acquired	No. of Shares	Amount of Investment	Extent of Holding		Considered in consolidation (to the extent of Group's effective shareholding, under Equity method)	Not Considered in Consolidation	Description of how there is significant influence	Reason why the Joint Venture is not consolidated
1	Ilex Developers & Resorts Limited	31 March 2018	23 March 2010	266500	533.00	32.92%	315.53	137.93	298.35	32.92% Shareholding	not a subsidiary
		31 March 2017		266500	533.00	32.92%	171.90	-91.07	-168.26	32.92% Shareholding	not a subsidiary

As per our audit report of even date
For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No. 116560W/ W100149

Sandeep Shah
Partner
Membership No. : 37381

Place: Mumbai
Date: 28th May 2018

For and on behalf of the Board of Directors

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

S.S.Thakur
Director
(DIN : 00001466)

B.C.Kamdar
Director
DIN: 01972386

Amit Vyas
Company Secretary

Smita Nanda
Chief Financial Officer

Place: Mumbai
Date: 28th May 2018

NOTES

KAMAT HOTELS (INDIA) LIMITED
CIN No: L55101MH1986PLC039307

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

Form No. MGT-11
Proxy form
[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s)	
Registered Address	
Email ID:	
Folio No /DP ID Client ID No.	

I/We, being the member (s) of ………................................…………… shares of the above named company, hereby appoint

1. Name: --E-mail Id: ---

   Address: ---

   --Signature: ------------------------------- or failing him/her

2. Name: --E-mail Id: ---

   Address: ---

   --Signature: ------------------------------- or failing him/her

3. Name: --E-mail Id: ---

   Address: ---

   --Signature: -------------------------------

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 31st Annual general meeting of the Company, to be held on the Wednesday, 26th day of September, 2018 at 11.30 a.m. at "Vishal Hall", Hotel Highway Inn, Sir M. V. Road (Andheri Kurla Road), Near Railway Station, Andheri (East), Mumbai – 400 069 and at any adjournment thereof in respect of such resolutions as are indicated below:

* I wish my above Proxy to vote in the manner as indicated in the box below:

Sr. No.	Resolutions	Optional *	
		For	Against
	Ordinary Business		
1.	Adoption of the Audited Financial Statements (Standalone & Consolidated) for the year ended on 31st March, 2018 together with Reports of the Board of Directors and Auditors thereon.		
2.	Appoint a Director in place of Mr. Bipinchandra C. Kamdar who retires by rotation and being eligible offers himself for re-appointment.		
	Special Business		
3.	Re-Appointment of Mr. Dinkar D. Jadhav as an Independent Director		
4.	Re-Appointment of Ms. Himali H. Mehta as an Independent Director		
5.	Approval for continuation of holding office of Non-Executive Director of the Company by Mr. Bipinchandra C. Kamdar under Regulation 17 (1A) of SEBI (LODR) Regulations, 2015		
6.	Making loan/invest/provide guarantees/security upto an amount not exceeding ₹ 1,000 crores		
7.	Creating charge on the assets of the Company.		
8.	Approve related party transactions.		
9.	Approval of continuation of Directorship of Mr. S. S. Thakur who was appointed as Independent Director for a period of 5 years from 24th September, 2016 to 23rd September, 2021 and who is 88 years, for the remaining period of his existing term of Directorship.		

Signed this…… day of…………………, 2018

Affix Revenue Stamp

Signature of shareholder

Signature of Proxy holder(s)

Note:

1 This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

2* It is optional to put a '√' in the appropriate column in front of the resolutions indicated in the table above. If you leave the 'For' or 'Against' column blank against any or all resolution(s), your proxy will be entitled to vote in the manner he / she thinks appropriate.

3 Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.

4 In the case of jointholders, the signature of any one holder will be sufficient, but names of all the jointholders should be stated.

Financial Highlights of the Company (Standalone)

₹ in lakhs

Particulars	2017-18*	2016-17*	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
Income from operations	16,852.23	15,466.91	15,084.55	13,331.29	13,405.76	13,831.97	14,162.77	12,070.28	10,281.27	12,003.96	14,761.18
Other Income	676.38	995.51	731.65	599.34	2,273.30	2,455.29	2,229.04	257.56	1,082.76	644.22	505.93
Total Income	17,528.61	16,462.42	15,816.20	13,930.63	15,679.06	16,287.26	16,391.81	12,327.84	11,364.03	12,648.18	15,267.11
Total Expenditure	14,172.05	14,449.49	16,369.34	20,400.20	40,489.66	17,203.91	16,373.20	11,821.83	11,299.55	11,660.17	10,898.32
Profit/(Loss) Before Tax	5,108.46	3,482.94	(553.14)	(6,469.57)	(24,810.60)	(916.65)	18.61	506.01	64.48	988.01	4,369.59
Taxation	1,319.43	24.99	(117.17)	(553.88)	(1,549.91)	(350.26)	(80.58)	349.10	(74.20)	421.92	1,628.93
Profit/(Loss) After Tax	3,789.03	3,817.95	(8,528.27)	(5,915.69)	(23,260.69)	(566.39)	99.19	137.32	138.68	566.09	2,740.66
Equity Share Capital	2,417.26	2,417.26	2,417.26	2,417.26	2,417.26	1,968.19	1,968.19	1,562.97	1,378.59	1,378.59	1,378.59
Reserves and Surplus	(7,593.95)	(11,379.08)	(13,585.02)	(5,056.76)	1,418.95	22,642.61	23,209.01	17,576.78	15,134.70	14,996.02	14,817.79
Net-worth	(5,470.62)	(9,255.75)	(11,461.69)	(2,933.42)	3,542.28	24,316.87	24,883.26	19,139.75	16,513.29	16,374.61	16,196.38
Earning per Share (₹)	16.07	16.19	(36.16)	(25.08)	(111.67)	(2.97)	0.62	0.96	1.05	2.99	21.63
Book Value per Share (₹)	(23.20)	(39.25)	(48.54)	(12.44)	15.02	127.36	130.32	127.25	125.13	124.07	122.72
Return on Net Worth (percentage)	NA	NA	NA	NA	(656.66)	(2.33)	0.40	0.72	0.84	3.44	16.87
Dividend	-	-	-	-	-	-	-	-	-	12%	30%

(* As per Ind AS Financials)

NOTES

AN ACTIVE ANNUAL INITIATIVE OF CLEAN UP DRIVE CONDUCTED ACROSS INDIA TO SPREAD THE MESSAGE ON BAN OF PLASTIC AND RAISE SOCIAL AWARENESS TO KEEP THE ENVIRONMENT CLEAN.

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*Note: If undelivered please return it to the KHIL House, 70-C, Nehru Road, Adjoining Orchid Hotel, Vile Parle (East), Mumbai - 400 099. Tel: +91 22 2616 4000