KAMAT HOTELS (INDIA) LIMITED

26th September, 2017

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 Sir,

Sub: Submission of Annual Report for the year ended on 31st March, 2017 pursuant to regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

In Compliance with the, Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. We are sending herewith Annual Report of the Company for the year ended on 31st March, 2017.

Kindly take the same on your record and oblige.

Thanking you,

Yours faithfully,
For Kamat Hotels (India) Limited

Amit Vyas
Company Secretary
Encl. a/a.

THE ORCHID® — FIVE STAR ECOTEL HOTEL — FRIENDLY. ECO - FRIENDLY
ECOTEL® - The Hallmark of Environmentally Sensitive Hotels
A Unit of Kamat Hotels (I) Pvt. Ltd.

Port Jadhav GADH
A Gadh Heritage Hotel
Ladh, Jhagadh, Aage Badh...

VITS® — Guest. Rest. Best. —
Luxury Business Hotels

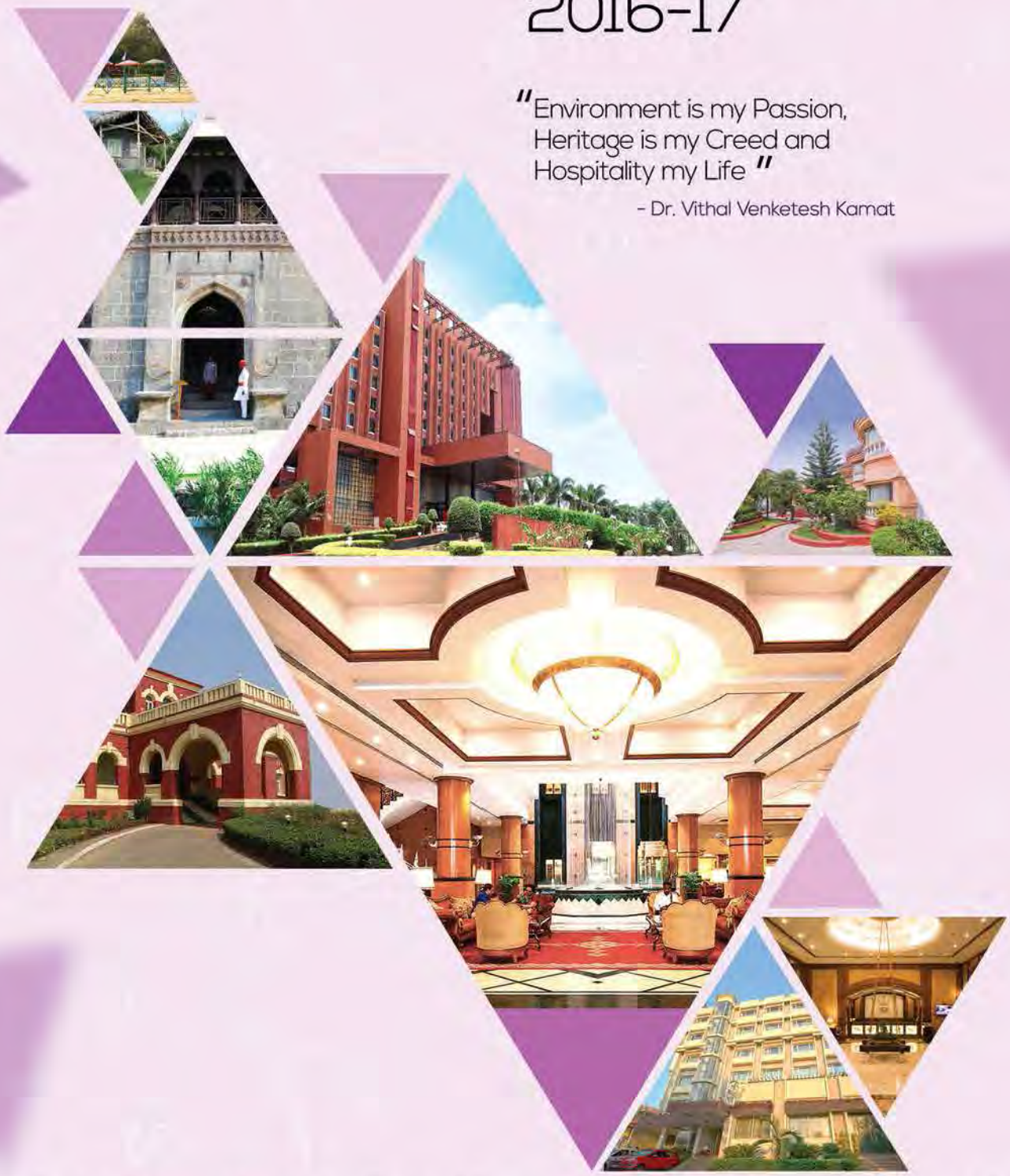
LOTUS RESORTS
Chill. Still. Tranquil.

12 PERCENT POST CONSUMER

ANNUAL REPORT
2016-17

"Environment is my Passion,
Heritage is my Creed and
Hospitality my Life"

- Dr. Vithal Venketesh Kamat



"India's Pioneer Hospitality Chain of Environmentally Sensitive Hotels & Resorts"

KAMAT HOTELS (INDIA) LIMITED

THE ORCHID® — FIVE STAR ECOTEL HOTEL — FRIENDLY. ECO-FRIENDLY
MUMBAI | PUNE

Hotel Jadhav GADH — A Gadh Heritage Hotel — Ladh, Jhagadh, Aage Badh...
PUNE

MAHODADHI PALACE — A Beach View Heritage Hotel — Puri - Odisha
PURI - ODISHA

LOTUS RESORTS — Chill. Still. Tranquil
KONARK - ODISHA
GOA

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

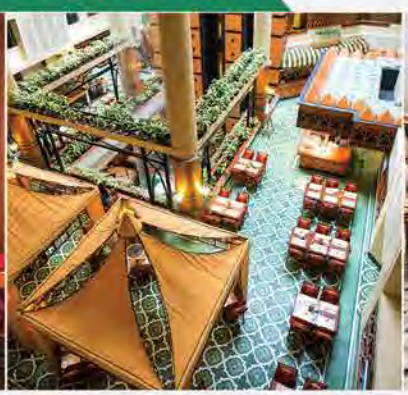


Asia's First Ecotel Certified 5 Star hotel located close to the Mumbai Domestic Airport

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



South of Vindhyas
from north of your mouth

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

Boulevard
Coffee Shop At Its Bold

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
Karaoke Bar
Get Lost!

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

THE ORCHID
FIVE STAR ECOTEL HOTEL
FRIENDLY. ECO-FRIENDLY
PUNE



Pune's Largest Convention & MICE Destination!

A Green Oasis with 350 rooms and 80,000 sq. ft. of Conferencing / Banqueting space with all 5 star amenities that you need.

Choose from 12 different types of board rooms, conference halls & lawns of varying capacities to celebrate special occasion in style or make the first impression in business meeting at The Orchid

TOTAL ROOMS: 350 | BANQUETS: 12

FOOD & BEVERAGES OUTLETS





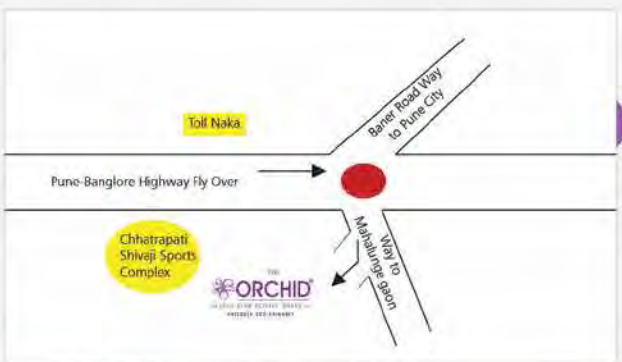


Boulevard

Concept: Speed (10 min Lightning Menu)
Personality: Energetic
Timings: 12:30 pm - 3 pm Lunch | 7 pm - 11pm Dinner.
Cuisine: Multi-Cuisine

MERLIN'S The Bar

Concept: Lounge bar
Personality: Vibrant
Timings: 4 pm - 1 am
Cuisine: Tandoor



Distance From:

Domestic Airport Pune: **21 kms**
Railway Station Vile Parle: **18 kms**

Reservations:

Adjacent to Shiv Chatrapati Shivaji Sports Complex, Pune Banglore Highway, Balewadi, Pune - 411 045.
Tel: 020-6791-4040 | www.orchidhotelpune.com

Fort Jadhav GADH
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: 57 | BANQUETS: 02

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 cafe

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
A Beach View Heritage Hotel
Puri - Odisha



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

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

Mahodadhi Palace is the perfect amalgam of old-era charm, contemporary opulence and absolute comfort.

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

GÃ

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.

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





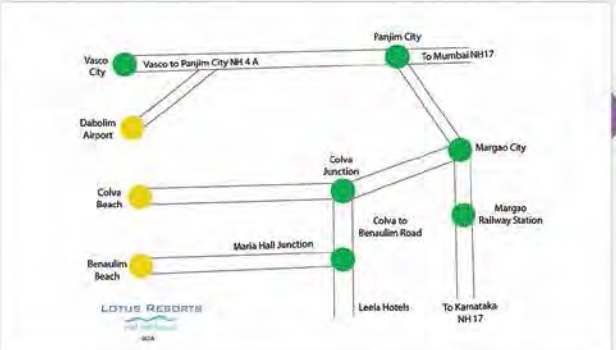


Sea Wave
Restaurant

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 Margao: **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

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



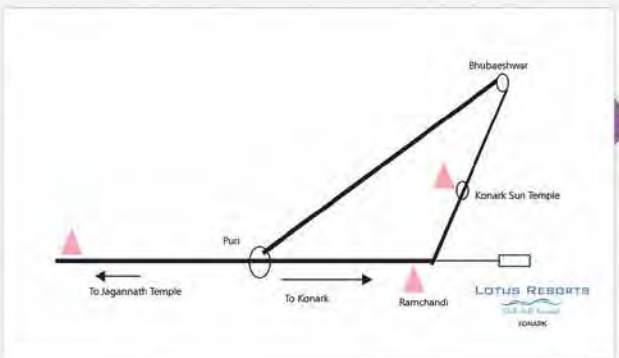


BAY SPIRITS

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 Airport Bhubhaneshwar: **75 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

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





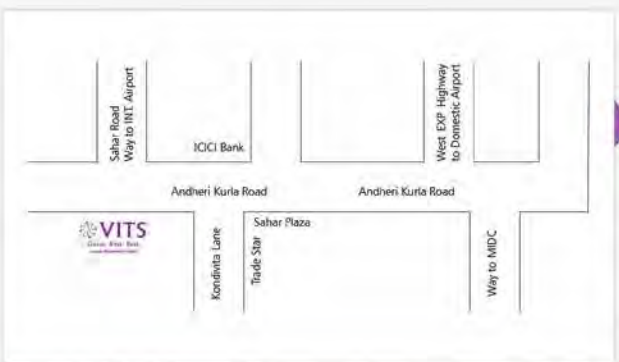


Pool Side

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 - Bhubaneshwar



One of the best mid market hotels in Bhubaneshwar

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



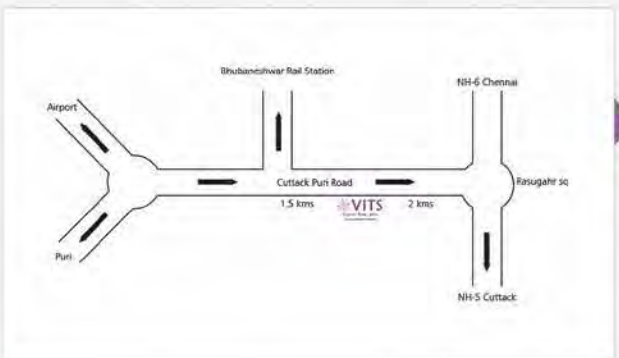


The Sizzle

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 Airport Mumbai: **4 kms**
International Airport Mumbai: **1.5 kms**

Reservations:

A/19, Cuttack Puri Road, Near Jatri Niwas, Laxmi Sagar, Bhubaneshwar- 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
(w.e.f. 24th September, 2016)

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
(w.e.f. 26th May, 2017)

Mr. Amit Vyas
Company Secretary
(w.e.f. 24th September, 2016)

AUDITORS

M/s. J. G. Verma & Co.
Chartered Accountants

BANKERS

Canara Bank
Andhra Bank
State Bank of India
Axis Bank
Oriental Bank of Commerce
Kotak Mahindra 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

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KAMAT HOTELS (INDIA) LIMITED

CIN: L55101MH1986PLC039307
Regd. Office : 70-C, Nehru Road, Near Santacruz Airport, Vile Parle (East), Mumbai -400 099.
Tel. No. 022 26164000, Website: www.khil.com, Email: cs@khil.com

NOTICE

Notice is hereby given that the Thirtieth 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 Friday, the 22nd September, 2017 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, 2017 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.

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

   "RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications or re-enactments thereof, for the time being in force), M/s. N. A. Shah Associates LLP, Chartered Accountants (FRN: 116560W/W100149) be and are hereby appointed as Statutory Auditors of the Company in place of retiring auditors M/s. J.G. Verma & Co., Chartered Accountants (FRN: 111381W), to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Thirty Fifth Annual General Meeting of the Company (subject to ratification of their appointment at every AGM), at such remuneration as may be mutually agreed to between the Auditors and the Board of Directors of the Company plus reimbursement of actual out of pocket expenses in connection with the audit of books of accounts of the Company.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to take such steps as may be necessary, expedient or desirable to give effect to this resolution."

SPECIAL BUSINESS:

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

   "RESOLVED THAT pursuant to Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with Schedule IV, the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Articles of Association of the Company and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('hereinafter referred to as Listing Regulations'), Mr. S. S. Thakur (DIN 00001466) who was appointed as an Additional Director in the category of Non-Executive Independent Director of the Company with effect from 24th September, 2016 by the Board of Directors under Section 161 of the Act and in respect of whom the Company has received a notice in writing from a member along with the deposit of the requisite amount under Section 160 of the Act proposing his candidature be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation for a term of five consecutive years commencing from the date of his appointment i.e. 24th September, 2016 till 23rd September, 2021.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to take such steps as may be necessary, expedient or desirable to give effect to this resolution."

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

   "RESOLVED THAT further to the Special Resolution passed by the shareholders of the Company at the 27th Annual General Meeting held on 10th September, 2014 according consent for appointment (including salary) of Mr. Vishal V. Kamat (son of Dr. Vithal V. Kamat, Executive Chairman and Managing Director of the Company) to hold office or place of profit as the Chief Executive Officer (CEO) of Fort Jadhavgadh, a Gadh Heritage Hotel, at Saswad Pune, a unit of the Company with effect from 1st December, 2012 and as per the resolution passed by the Board of Directors at its meeting held on 7th November, 2015 approving the increase in remuneration of Mr. Vishal V. Kamat to ₹ 2,50,000/- per month w.e.f.1st April, 2015 and pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactments thereof for the time being in force) read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and any other applicable laws, rules and regulations, approval of the Company be and is hereby accorded to Mr. Vishal V. Kamat (son of Dr. Vithal V. Kamat, Executive Chairman and Managing Director of the Company) to continue holding office or place of profit as the CEO of Fort Jadhavgadh, a Heritage Hotel, at Saswad Pune, unit of the Company at a revised payment of monthly gross salary upto an amount not exceeding ₹ 10,00,000 /- (Rupees Ten Lakhs Only) (which includes basic, House Rent Allowance (H.R.A) and medical reimbursement) and other benefits, if any, as per policy of the Company and as mentioned in the letter of appointment of Mr. Vishal V. Kamat issued by the Company w.e.f 1st April, 2017.

   RESOLVED FURTHER THAT approval of the Company be and is hereby also accorded to re-designate/or re-allocate the duties and responsibilities or to alter and vary the terms of appointment including remuneration of Mr. Vishal V. Kamat in such manner as the Board of Directors of the Company may deem fit and proper within the above approved limit.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds or things as may be necessary or required to deal with the matter and take all such steps as may be necessary to give effect to this resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 20(2) and all other applicable provisions of the Companies Act, 2013 read with the Rules framed thereunder (including any statutory modification(s) or re-enactments thereof, for the time being in force), authority be and is hereby given to the Board of Directors of the Company (the 'Board' which term shall include its Committee(s) constituted / to be constituted by it to exercise its powers including the powers conferred by this resolution) to determine the fee to be charged from a member to enable recovery of expenses incurred by the Company towards complying with such request for delivery of any documents through a particular mode."

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

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

Place: Mumbai
Date : 14th July, 2017

Amit Vyas
Company Secretary

NOTES:

1) a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY /PROXIES TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

   (b) Pursuant to provisions of section 105 of the Companies Act, 2013, a person appointed as proxy shall act as a proxy on behalf of such member or number of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2) The instrument appointing a proxy must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. A Proxy form is enclosed herewith. Proxies submitted on behalf of limited companies, societies etc., must be supported by an appropriate resolution/ authority as applicable.

3) Every member entitled to vote at a meeting of the Company, or on any resolution to be moved thereat, shall be entitled, during the period beginning twenty-four hours before the time fixed for the commencement of the 30th Annual General Meeting and ending with the conclusion of the said Annual General Meeting, to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than three days of notice in writing of the intention so to inspect is given to the Company.

4) Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in relation to the business item nos 3 to 6 of the meeting is annexed as **Annexure I** to the Notice.

5) As a part of Go Green Initiative adopted by the Company, copies of the Annual Report will not be distributed at the AGM. Members or proxies are therefore requested to bring with them the copies of the Annual Report of the Company.

6) The Shareholders are requested to notify changes, if any, in their address to their depository participants in respect of their holding in electronic form and to the Registrars and Transfer Agents of the Company, M/s. 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. in respect of their holding in physical form.

7) The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 12th September, 2017 to Friday, 22nd September, 2017 (both days inclusive) for the purpose of Annual General Meeting.

8) The details pertaining to the directors seeking appointment /re-appointment as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('hereinafter referred to as Listing Regulations') and Secretarial Standard – 2 on General meetings are furnished in **Annexure II** to the Notice.

9) In view of various advantages offered by the depository system, the members are requested to avail the facility of dematerialization of the Company's shares.

10) The members of the Company holding their shares in physical form or in dematerialized form, who have not registered their e-mail IDs and Mobile number with the Company or Depository Participant to receive documents like Notice, Annual Reports and alike correspondence through electronic mode, are requested to send their e-mail IDs and Mobile number either to the Company's id: cs@khil.com or Registrars and Transfer Agents or to Depository Participant.

11) Annual Reports for the Financial Year 2016-17 are being sent by electronic mode, only to those members who have registered their email addresses with the Company /Depository Participant, unless any member has requested for a physical copy of the same. Annual Reports are being sent by physical mode to those members who have not registered their email addresses with the Company / Depository Participant.

12) For the proper conduct of the meeting and participation of the members, the members are requested to handover the enclosed attendance slip duly signed as per their specimen signature(s) registered with the Company for admission to the meeting hall.

13) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Share Transfer Agents, Link Intime India Private Limited.

14) Route map showing the directions of the venue of Annual General Meeting along with prominent landmark is annexed.

15) Relevant document referred to in the accompanying notice and the Explanatory Statement are open for inspection are the Registered Office of the Company during (11.00 a.m. to 1.00 p.m.) on all working days, except holidays.

16) Voting through electronic means

I. Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide its members the facility to exercise their right to vote on resolutions proposed to be considered at the 30th Annual General Meeting ("AGM") by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

II. The process and manner for remote e-voting are as under:

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :

(i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.If you are already registered with NSDL for e-Voting then you can use your existing user ID and password.

(ii) Launch internet browser by typing the following URL: https://www.evoting.nsdl.com/

(iii) Click on Shareholder - Login

(iv) Put your user ID and password Click Login.

(v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/ characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

(vii) Select "EVEN" of "Kamat Hotels (India) Limited".

(viii) Now you are ready for remote e-voting as Cast Vote page opens.

(ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

(x) Upon confirmation, the message "Vote cast successfully" will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

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

B. In case a Member receives physical copy of the Notice of 30th Annual General Meeting [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

(i) Initial password is provided as below/at the bottom of the Attendance Slip for the Annual General Meeting :

EVEN (Remote e-voting Event Number) USER ID PASSWORD/PIN

(ii) Please follow all steps from Sl. No. (i) to Sl. No. (xii) above, to cast vote.

(iii) If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.NOTE: Shareholders who forgot the User Details/Password can use "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com.

In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID).

In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No+Folio No).

Please note that:

i. M/s. V. V. Chakradeo & Co., Practising Company Secretaries, (Certificate of Practice Number 1705) Mumbai has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

ii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

iii. The remote e-voting period commences on Tuesday, 19th September, 2017 (9:00 a.m.) and ends on Thursday, 21st September, 2017 (5:00 p.m.). During this period members' of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, 15th September, 2017, may cast their vote by using remote e-voting facility. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

iv. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of Friday, 15th September, 2017.

v. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Friday, 15th September, 2017, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or rnt.helpdesk@linkintime.co.in.

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.

vi. 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).

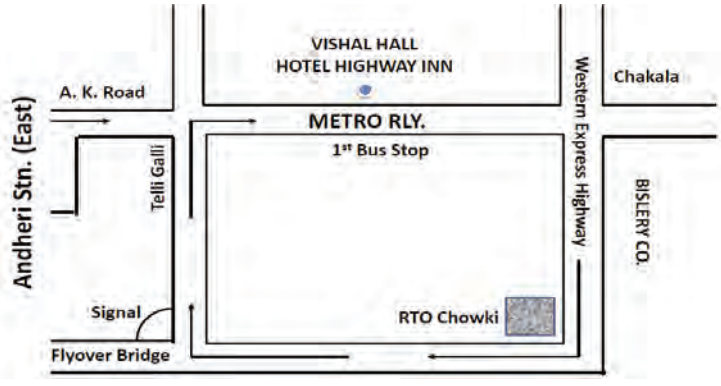
vii. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

viii. 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.

ix. 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.

x. 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.

Route map of the venue :



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

Place: Mumbai.
Date : 14th July, 2017

Amit Vyas
Company Secretary

ANNEXURE I TO THE NOTICE

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

ITEM NO. 3:

In terms of Section 139 of the Companies Act, 2013 ('the Act') read with Rule 6 of Companies (Audit and Auditors) Rules, 2014, an Audit Firm cannot act as Statutory Auditors of the Company for more than two terms of five consecutive years. In compliance with the above statutory provisions, the term of M/s. J.G. Verma & Co., Chartered Accountants (FRN: 111381W) including the transitory period of three years provided by the Act., expires at the ensuing AGM. The Audit Committee and the Board of Directors have placed on record their appreciation for the professional services rendered by M/s. J.G. Verma & Co. throughout their tenure.

The Company is now required to appoint new Statutory Auditors in place of the retiring Auditors. The Audit Committee and Management of the Company invited proposals from various firms of Chartered Accountants and after detailed analysis of the profile received, recommended M/s. N. A. Shah Associates LLP, Chartered Accountants (FRN: 116560W/W100149), Mumbai, as the Statutory Auditors.

M/s. N. A. Shah Associates LLP, Chartered Accountants (FRN: 116560W/W100149), have confirmed that the appointment, if made, would be in compliance with the statutory requirements under the Companies Act, 2013, as amended from time to time and Listing Regulations. The Board of Directors at its meeting held on 14th July, 2017 had on the basis of recommendation of Audit Committee and subject to approval of the members, has appointed the M/s. N. A. Shah Associates LLP as the Statutory Auditors of the Company, for a term of five consecutive years from the conclusion of this AGM till the conclusion of Thirty Fifth AGM of the Company (subject to ratification of their appointment at every AGM).

The Directors recommend the passing of the resolution set out at Item No. 3 of the accompanying Notice as an Ordinary Resolution.

None of the Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way, financially or otherwise, deemed to be concerned or interested in this item of business.

ITEM NO. 4:

The Board of Directors on the basis of recommendation made by Nomination & Remuneration Committee appointed Mr. S. S. Thakur as an Additional Director in the category of Non-Executive Independent Director of the Company with effect from 24th September, 2016 pursuant to Section 161 of the Companies Act, 2013 ('the Act'). In terms of Section 161 of the Act, Mr. S.S.Thakur holds the office of Director upto the date of the ensuing Annual General Meeting and is eligible for appointment at the said meeting as an Independent Director.

The Company has received a notice in writing under Section 160 of the Companies Act, 2013 along with requisite security deposit from a member proposing the candidature of Mr. S. S. Thakur as an Independent Director of the Company. Therefore, it is proposed to appoint Mr. Thakur for a term of five years commencing from the date of his appointment i.e. 24th September, 2016, not liable to retire by rotation.

As per Sections 152 and 149 of the Act, Mr. S. S. Thakur has furnished his Director Identification Number and has also given declaration that he is not disqualified to become a Director under the Companies Act, 2013 and he also meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013. Mr. S.S. Thakur, is not disqualified from being re-appointed as Director under Section 164 of the Act.

A brief resume of Mr. S. S. Thakur as required under Secretarial Standard 2 and Listing Regulations is given in **Annexure II** to the Notice.

The terms and conditions of appointment of Mr. S. S. Thakur is available for inspection by the members on all working days, except holidays at the registered office of the Company between 11.00 A.M. to 1.00 P.M. till 21st September, 2017.

The Directors recommend the passing of the resolution set out at Item No. 4 of the accompanying Notice as an Ordinary Resolution.

None of the Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way, financially or otherwise, deemed to be concerned or interested in this item of business.

ITEM NO. 5

The shareholders of the Company had by way of Special Resolution passed at the 27th Annual General Meeting held on 10th September, 2014, accorded their consent for appointment of Mr. Vishal V. Kamat (son of Dr. Vithal V. Kamat, Executive Chairman and Managing Director of the Company), to hold office or place of profit as the Chief Executive Officer (CEO) of Fort Jadhavgadh, a Gadh Heritage Hotel, at Saswad Pune, a unit of the Company with effect from 1st December, 2012 on a monthly gross salary of ₹ 1,00,000/- per month with power to the Board for alteration in the terms of appointment including remuneration.

The Board of Directors within the scope of its power granted by the Shareholders vide its resolution dated 10th September, 2014, at its meeting held on 7th November, 2015 increased the monthly gross salary paid to Mr. Vishal V. Kamat to ₹ 2,50,000/- with effect from 1st April, 2015 .

Mr. Vishal V. Kamat has long ranging experience in the Hotel Industry and is involved in day to day activities of the Company. Under his stellar leadership the Company has shown the positive sign of growth. Various strategic initiatives are being undertaken for improving operational efficiencies thereby creating a sustainable value for the shareholders.

In terms of Section 188 of the Companies Act, 2013 (' the Act') read with the provisions of Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, approval of the members is required to be sought for the appointment of a related party to hold any office or place of profit

in the company, its subsidiary company or associate company, where the monthly remuneration paid for such office exceeds ₹ 2,50,000/- (Rupees Two Lakhs Fifty Thousand). Hence, approval of members is sought for revision in payment of remuneration to Mr. Vishal V. Kamat.

Considering the recommendation of Nomination & Remuneration Committee and several other factors, the Board of Directors has recommended increase in the monthly gross salary payable to Mr. Vishal V. Kamat from existing ₹ 2,50,000/- (Rupees Two Lakhs Fifty Thousand) per month upto an amount not exceeding ₹ 10,00,000/- per month (Rupees Ten Lakhs Only) w.e.f. 1st April, 2017.

The particulars required under Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014 of related party transactions for which shareholders' approval is sought are as follows:

Particulars	Details
(a) name of the related party:	Mr. Vishal V. Kamat
(b) name of the director or key managerial personnel who is related, if any:	Dr. Vithal V. Kamat, Executive Chairman & Managing Director of the Company.
(c) nature of relationship:	Mr. Vishal V. Kamat is a son of Dr. Vithal V. Kamat
(d) nature, material terms, monetary value and particulars of the contract or arrangement:	Payment of monthly gross salary upto an amount not exceeding ₹ 10,00,000 /- (Rupees Ten Lakhs Only) (which includes basic, House Rent Allowance (H.R.A) and medical reimbursement) and other benefits, if any, as per policy of the Company as mentioned in the letter of appointment of Mr. Vishal V. Kamat issued by the Company w.e.f 1st April, 2017
(e) any other information relevant or important for the members to take a decision on the proposed resolution:	N.A.

The Directors recommend the passing of the resolution set out at Item No. 5 of the accompanying Notice as an Ordinary Resolution.

Except Dr. Vithal V. Kamat, Executive Chairman and Managing Director and his relatives, there is no concern or interest, financial or otherwise of any other director, key managerial personnel of the Company or their relatives in respect of the said resolution.

ITEM NO. 6

Fees for delivery of any document through a particular mode of delivery to a member Section 20 of the Companies Act, 2013 read with Rule 35 of the Companies (Incorporation) Rules, 2014 provides the mode of service of documents inter-alia to the members of the Company. Further, proviso to sub-section (2) of that Section states that where a member requests for delivery of any document through a particular mode, he shall pay such fees as may be determined by the Company in its Annual General Meeting ('AGM'). Accordingly, approval of shareholders is sought, to authorise the Board of Directors to determine the fee to be charged from a member who requests delivery of any documents through a particular mode.

The Directors recommend the passing of the resolution set out at Item No. 6 of the accompanying Notice as an Ordinary Resolution.

None of the Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way, financially or otherwise, deemed to be concerned or interested in this item of business.

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

Place : Mumbai.
Date : 14th July, 2017

Amit Vyas
Company Secretary

ANNEXURE II TO THE NOTICE

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 30 years and has been involved in day to day activity of Company since then.

   Relationship with other Directors- Mr. Bipinchandra C. Kamdar has no relationship with other Directors.

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

   Directorship held in other Companies: Orchid Hotels Pune Private Limited, Audit Committee Membership in other Companies: Orchid Hotels Pune Private Limited, Stakeholders Relationship Committee Membership in other Companies: NIL.

   Shareholding in Kamat Hotels (India) Ltd.: Nil

2. Name: **Mr. S. S. Thakur (DIN 00001466)** Age- 88 years

   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.

   Relationship with other Directors- Mr. S. S. Thakur has no relationship with other Directors.

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

   Directorship held in other Companies: 11 (including listed Companies)

   Terms and Conditions of appointment- Mr. S.S.Thakur has been appointed for tenure of 5 consecutive years.

   Names of Companies in which he holds the directorship and the membership of Committees of the board:

Name of the Company in which he is a director	Audit Committee	Stakeholders Relationship Committee
KEC International Limited	Member	Chairman
Shrenuj & Co. Limited	Chairman	Member
Responsive Industries Limited	Chairman	-
Urban Infrastructure Ventures Capital Limited	Member	-
HDFC Securities Limited	Chairman	-

   Shareholding in Kamat Hotels (India) Ltd.: Nil

BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the 30th Annual Report together with the Audited Financial Statements of the Company for the year ended 31st March, 2017.

FINANCIAL SUMMARY

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

(₹ in lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Total Income	**16,452.81**	15,817.33
Profit Before Interest, Depreciation & Taxation	**6,130.65**	4,673.33
Less: Interest and Finance Charges (net)	**2,647.54**	3,946.43
Less: Depreciation	**1,255.45**	1,280.04
Profit Before Exceptional Item and Tax	**2,227.66**	(553.14)
Add/(Less): Exceptional Item	**1,830.02**	(8,092.30)
Profit Before Tax	**4,057.68**	(8,645.44)
Less: Current tax	**11.20**	-
Prior Period Adjustment – Income Tax	**-**	(117.17)
MAT Credit entitlement	**11.20**	-
Profit After Tax but before Adjustments & Appropriations	**4,057.68**	(8,528.27)
Net Profit/(Loss)after tax	**4,057.68**	(8,528.27)
Add: Surplus / (Deficit) Brought Forward from previous year	**(29,132.19)**	(20,603.92)
Balance carried over to Balance Sheet	**(25,074.51)**	(29,132.19)

PERFORMANCE REVIEW

The average occupancy level of The Orchid, Mumbai, was almost as per last year i.e around 79% . The average occupancy level of VITS Mumbai was around 78%. The Average Room Rate, during the year under review, was at ₹ 5,883/- at The Orchid, Mumbai as compared to ₹ 5,553/- in the previous year and at ₹ 4,102/- at VITS, Mumbai as compared to ₹ 3,518/- in the previous year.

The total turnover of the Company for the year was recorded at ₹ 16,452.81 Lakhs (of which the turnover of ₹ 9,386.09 lakhs pertains to The Orchid, Mumbai, ₹ 3131.04 lakhs to VITS, Mumbai and ₹ 3,935.68 lakhs to other units) as against ₹ 15,817.33 lakhs in the previous year, a increase of around 4.03% over the last year. The Company has registered a sharp turnaround from loss of ₹ 8,528.27 lakhs to profit after tax of ₹ 4,057.68 lakhs as compared to the previous year.

MANAGEMENT / FRANCHISEE CONTRACTS

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.

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, 2017.

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, 2017 the Authorised Share Capital of the Company was ₹ 3,425 lakhs divided into 3,42,50,000 equity shares of ₹ 10/- each whereas the issued, subscribed and paid up capital stood at ₹ 2,358.41 lakhs divided into 2,35,84,058 equity shares of ₹ 10/- each.

MATERIAL CHANGES AND COMMITMENTS

There have been no material changes and commitment affecting the financial position of the Company during the Financial Year 2016-17.

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 Companies Act, 2013 ("the Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Accounting Standard (AS) - 21 on Consolidated Financial Statement, 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 under note no 37 (page no 121 to 124) to the Consolidated Financial Statement of the Company. Hence not repeated for the sake of brevity. As on 31st March, 2017 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. Green Dot Restaurants Private Limited. (GDRPL)

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.

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

Mr. Bipinchanndra C. Kamdar (DIN 01972386) retires by rotation at the ensuing 30th Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

The Company has appointed Mr. S. S. Thakur (DIN 00001466) as an Additional Director in the category of Non-Executive Independent Director on the Board of the Company w.e.f 24th September, 2016. The term of Mr. S. S. Thakur as a Additional Independent Director will expire on the date of the ensuing 30th Annual General Meeting of the Company. The Company has received a notice in writing along with requisite security deposit under provisions of Section 160 of the Companies Act, 2013 from a member proposing the candidature of Mr. S. S. Thakur as an Independent Director of the Company. The Notice convening the 30th Annual General Meeting contains necessary resolution for his appointment as an Independent Director of the Company.

During the year under review, Mr. Amit Vyas was appointed as Company Secretary of the Company w.e.f. 24th September, 2016 .

Ms. Smita Nanda was appointed as Chief Financial Officer of the Company w.e.f 26th May, 2017.

STATEMENT ON DECLARATION BY INDEPENDENT DIRECTOR:

Each of the Independent Directors of the Company have given their respective declaration as required under Section 149(7) of the Companies Act, 2013 to the effect that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

FAMILIARISATION PROGRAMMES FOR INDEPENDENT DIRECTORS

The Company constantly endeavors 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 dates of Board meetings are given in the Corporate Governance section forming part of this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

As required by Section 134(3)(c) and 134(5) of the Companies Act, 2013 the Directors hereby state that:

1. in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
2. they have selected accounting policies were applied 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, 2017 and of the loss of the Company for the financial year ended on that date;
3. they have taken proper and sufficient care has been taken 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 to the best of the Directors' knowledge and ability;
4. the annual accounts have been prepared on a going concern basis;
5. Internal Financial Controls to be followed by the Company have been laid down, and the said 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 Act, 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:

The particulars of Loan given, Guarantees given and Investment made by the Company under Section 186 of the Companies Act, 2013 are given as under:

(₹ in lakhs)

Particulars		Opening Balance	During the year	Closing Balance
Loans Given		20,474.06	(128.92)	20,345.14
Guarantee Given / Security Provided	Guarantee given 21,434 (given to wholly owned subsidiary and joint venture Co.) Security provided 352.94 (given to wholly owned subsidiary)	21,786.94	-	21,786.94
Investment Made		556.24	(0.05)	24.03 *

* Net of provision for diminution made during the year.

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

PARTICIULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTY

All Related Party Transactions entered into during the year were in the Ordinary Course of Business and on arms' length basis. Omnibus approval is sought from Audit Committee in case of transactions which are repetitive in nature and in ordinary course of business. During the year under review, no Material Related Party Transactions, i.e. transactions not amounting to ten percent or more of the turnover of the Company as per the last audited financial Statement, were entered by your Company. Since all related party transactions entered into by the Company were in the ordinary course of business and on arm's length basis, disclosure required in Form AOC-2 is **not applicable**. The Policy on materiality of related party transactions and on dealing with related party transactions as approved by the Board may be accessed on the Company's website at its weblink is http://www.khil.com/investors/policies.html

STATEMENT OF ANNUAL PERFORMANCE EVALUATION OF BOARD, COMMITTEES AND DIRECTORS

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 are 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.

The process of performance evaluation is derived by the consensus of the Board and is as per the Act.

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 25th May, 2016.

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

COMPOSITION OF 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 Section forming part of this Annual Report. During the year under review, there was no instance where the Board has not accepted any recommendation of the Audit Committee.

RISK MANAGEMENT

The Company has a well- defined Risk Management Policy which helps to identify, manage and mitigate business risks. A quarterly review report on compliance with Risk Management policy 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

There was no pecuniary relationship or transactions of the non-executive directors vis-à-vis the company during the year. Also, no payment, except sitting fees, was made to any of the 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 and sweat equities.

EMPLOYEE STOCK OPTION SCHEME

During the year under review, no option under 'Employee Stock Option Scheme-2013' 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

Not Applicable

DEPOSITS

There was no deposit accepted by the Company 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 Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed M/s. V. V. Chakradeo & Co., Practising Company Secretaries, as the Secretarial Auditor for conducting the Secretarial Audit of your Company for the financial year ended 31st March, 2017.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark. The Secretarial Audit Report issued by M/s. V. V.Chakradeo & Co., Practising Company Secretaries is enclosed as ***'Annexure C'*** of 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 2017

Disclosures with respect to the 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 D'*** to this Report.

During the year under review, there were no employees falling under the criteria specified under section 197(12) 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 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

a) 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.

b) 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

(iv) 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.

c) Foreign exchange earnings and outgo:

Earnings: ₹ 1,949.08 Lakhs (Previous Year ₹ 1,507.74 Lakhs)

Utilization (including import of capital goods): ₹ 269.93 Lakhs (Previous Year ₹ 401.61 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 period under review, no order had been passed by the regulators/ courts or tribunals which shall have an impact on the going concern status of the company and its operations.

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 fulfill the objectives for which they have been created.

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

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

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

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. However, the provisions of Section 135(1) and 135(5) of the Companies Act, 2013 regarding constitution of Corporate Social Responsibility (CSR) Committee and spending of at least 2% of average net profit are not applicable to the Company. The Company has, however, been actively and constantly undertaking several initiatives voluntarily towards its corporate social responsibility in the field of environment.

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. The Company is committed towards its social responsibility and endeavors the upliftment of the society.

Disclosures of Corporate Social Responsibility (CSR) activities of the Company are given in '***Annexure E'*** forming part of this Annual Report.

CORPORATE GOVERNANCE

As per Schedule V of the Listing Regulations, a separate section on Corporate Governance Report together with a certificate from the Company's Auditors confirming compliance and Management Discussion Analysis are given in '***Annexures F, G and H'*** forming part of this Annual Report.

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

The term of M/s. J.G. Verma & Co., Chartered Accountants (FRN: 111381W) was appointed as the Statutory Auditors of the Company at 27th Annual General Meeting ('AGM') held on 10th September, 2014. In terms of Section 139 of the Act read with Rule 6 Companies (Audit and Auditors) Rules, 2014 the tenure of Statutory Auditors expires at conclusion of 30th AGM.

Accordingly, the Board on the recommendation of the Audit Committee has approved and recommended to the shareholders, the appointment of M/s. N. A. Shah Associates LLP, Chartered Accountants (FRN: 116560W/W100149), Mumbai, as the Statutory Auditors of the Company for a term of five consecutive years from the conclusion of this AGM till the conclusion of Thirty Fifth AGM of the Company (subject to ratification of their appointment at every AGM).

The Company has received a certificate from M/s. N. A. Shah Associates LLP, Chartered Accountants (FRN: 116560W/W100149), to the effect that their appointment, if made, shall be in compliance with the provisions of Section 139 and 141 of the Companies Act, 2013 and other applicable provisions of Listing Regulations.

The Members are requested to appoint of M/s. N. A. Shah Associates LLP, Chartered Accountants as Statutory Auditors of the Company in place of the retiring Auditors M/s. J.G. Verma & Co., Chartered Accountants, at the ensuing AGM for a period of five consecutive years from the conclusion of the ensuing Annual General Meeting till the conclusion of the Thirty Fifth AGM and fix their remuneration.

The Auditors' Report is unmodified i.e. it does not contain any qualifications, reservations or adverse remarks, except emphasis of matter at point no. 1,2 & 3 of the report. The explanation of the Board on the emphasis of matter is given further in this report.

PENALTIES & DEFAULTS

a) During the year the Board meeting was scheduled to be held on 14th February, 2017. However, due to non-availability of quorum, the meeting had to be adjourned to 21st February, 2017. This attracted a penalty of ₹ 70,000/- (₹ 35,000/- each) by Bombay Stock Exchange and National Stock Exchange (collective referred to as ' Stock Exchanges') for non-compliance of Regulation 33 of the Listing Regulations. The Company has paid the same.

b) The Company has defaulted in payment of interest and installment of principal amount on various credit facilities to Bank and Financial Institutions.

EXPLANATION AND COMMENTS ON EMPHASIS MADE BY SECRETARIAL AUDITOR/ STATUTORY AUDITORS

The Company has made an application to the Central Government for making payment to Dr. Vithal V. Kamat, Executive Chairman and Managing Director for the period from 1st October, 2016 to 31st March, 2017 of ₹ 48 lakhs. The said applications is pending with the Central Government.

The meeting of Board of Directors was originally scheduled to be held on 14th February, 2017 for approving the unaudited quarterly financial results of the Company. However, due to want of quorum the meeting was adjourned to 21st February, 2017, which attracted the penalty from the Stock Exchanges. However, the Management is taking various steps for avoiding such instances in future.

Due to sudden demise of Mr. G.N. Shenoy on 5th June, 2016, the previous Chief Financial Officer (CFO) of the Company, the Management immediately initiated the process of recruiting the high caliber individual for occupying the office CFO. Since, the responsibilities handled by Late Mr. G.N. Shenoy were wide and complex and also considering the financial position of the Company, the Management was striving to receive the right candidature for the said position and subsequently w.e.f. 26th May, 2017 new CFO was appointed. Thus, this resulted into a delay which was unintentional.

With regard to default in payment of interest and installment of principal amount, the management is implementing various measures for avoidance of such defaults. Presently, Company is regular in payment of interest and installment of principal amounts to lenders with whom the Company has arrived at Settelment/ OTS arrangements.

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.

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

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

Place : Mumbai
Date : 14th July, 2017

ANNEXURE "A" TO THE BOARD'S REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

for the financial year ended on 31.03.2017

[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 / Indian Non Government Company

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 / ~~No~~

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	95%

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.	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 - 2016				Shareholding at the end of the year - 2017				% 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	46.62	1,09,93,722	0	1,09,93,722	46.62	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	0.0042	0	1,000	1,000	0.0042	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	1.09	2,57,431	0	2,57,431	1.09	0.00
(f)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(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	1.09	2,57,431	1,000	2,58,431	1.09	0.00
[2]	Central Government/ State Government(s)/ President of India	0	0	0	0	0	0	0	0	0
	Sub Total (B)(2)	0	0	0	0.00	0	0	0	0.0	'0.00

Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2016				Shareholding at the end of the year - 2017				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh.	11,40,894	2,32,212	13,73,106	5.82	18,46,521	2,29,212	20,75,733	8.80	2.98
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1,14,264	0	1,14,264	0.48	9,25,653	0	9,25,653	3.93	3.45
(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	54,588	0	54,588	0.23	1,37,683	0	1,37,683	0.58	0.35
	Foreign Companies	70,42,380	1,100	70,43,480	29.87	48,94,884	1,100	48,95,984	20.76	-9.11
	Non Resident Indians (Non Repat)	6,914	75,000	81,914	0.35	7,257	75,000	82,257	0.35	0.00
	Non Resident Indians (Repat)	55,743	0	55,743	0.24	63,472	0	63,472	0.27	0.03
	Clearing Member	22,809	0	22,809	0.10	3,10,505	0	3,10,505	1.32	1.22
	Bodies Corporate	2,04,663	13,100	2,17,763	0.92	4,59,280	13,100	4,72,380	2.00	1.08
	Sub Total (B)(3)	86,42,255	3,21,412	89,63,667	38.01	86,45,255	3,18,412	89,63,667	38.01	0.00
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	88,99,686	3,22,412	92,22,098	39.10	89,02,686	3,19,412	92,22,098	39.10	0.00
	Total (A)+(B)	2,32,61,646	3,22,412	2,35,84,058	100.00	2,32,64,646	3,19,412	2,35,84,058	100.00	0.00
(C)	Non Promoter - Non Public									
[1]	Custodian/DR Holder	0	0	0	0.0	0	0	0	0.0	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)	2,32,61,646	3,22,412	2,35,84,058	100.00	2,32,64,646	3,19,412	2,35,84,058	100.00	0.00

(ii) Shareholding of Promoters

Sr No	Shareholder's Name	Shareholding at the beginning of the year - 2016			Shareholding at the end of the year - 2017			
		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 Private Limited	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	3.90	0.00
3	Indira Investments Private Limited	15,63,794	6.64	6.48	15,63,794	6.64	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	0.00	0.00
6	Kamat Development Private Limited	8,39,272	3.56	3.56	8,39,272	3.56	3.56	0.00
7	Venkatesh Hotels 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	0.00	0.00
9	Kamats Holiday Resorts (Silvassa) Limited	2,76,439	1.17	1.17	2,76,439	1.17	1.17	0.00

Sr No	Shareholder's Name	Shareholding at the beginning of the year - 2016			Shareholding at the end of the year - 2017			
		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
10	Vishal Amusements Limited	2,58,897	1.10	0.97	2,58,897	1.10	0.97	0.00
11	Kamats Amusements 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	Kamats Eateries Private Limited	1,19,245	0.51	0.49	1,19,245	0.51	0.49	0.00
14	Karoake Amusements Private Limited	80,877	0.34	0.34	80,877	0.34	0.34	0.00
15	Kamburger Foods Private Limited	40,551	0.17	0.16	40,551	0.17	0.16	0.00
16	Kamats Club Private Limited	4,900	0.02	0.02	4,900	0.02	0.02	0.00
17	Vithal V. Kamat- HUF	1,49,864	0.64	0.59	1,49,864	0.64	0.59	0.00
18	Vidya Vithal Kamat	96,621	0.41	0.12	96,621	0.41	0.12	0.00
19	Vishal V Kamat	15,627	0.06	0.07	15,627	0.06	0.07	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	41.86	1,43,61,960	60.90	41.86	0.00

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

Sl. No.		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
	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 - 2016		Transactions during the year		Cumulative Shareholding at the end of the year – 2017	
		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	Clearwater Capital Partners Cyprus Ltd	70,42,380	29.86			70,42,380	29.86
	Sale			15 Apr 2016	(5,000)	70,37,380	29.83
	Sale			22 Apr 2016	(19,902)	70,17,478	29.75
	Sale			29 Apr 2016	(19,505)	69,97,973	29.67
	Sale			13 May 2016	(5,000)	69,92,973	29.65
	Sale			20 May 2016	(55,000)	69,37,973	29.42
	Sale			27 May 2016	(2,000)	69,35,973	29.41
	Sale			03 Jun 2016	(68,000)	68,67,973	29.12
	Sale			10 Jun 2016	(25,000)	68,42,973	29.01
	Sale			17 Jun 2016	(25,000)	68,17,973	28.91
	Sale			24 Jun 2016	(45,000)	67,72,973	28.72
	Sale			30 Jun 2016	(15,000)	67,57,973	28.65
	Sale			01 Jul 2016	(5,000)	67,52,973	28.63
	Sale			08 Jul 2016	(20,000)	67,32,973	28.55
	Sale			15 Jul 2016	(25,000)	67,07,973	28.44
	Sale			22 Jul 2016	(55,000)	66,52,973	28.21

Sr No.	Name & type of Transaction	Shareholding at the beginning of the year - 2016		Transactions during the year		Cumulative Shareholding at the end of the year – 2017	
		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			29 Jul 2016	(25,000)	66,27,973	28.10
	Sale			05 Aug 2016	(25,000)	66,02,973	28.00
	Sale			12 Aug 2016	(25,000)	65,77,973	27.89
	Sale			19 Aug 2016	(20,000)	65,57,973	27.80
	Sale			26 Aug 2016	(29,000)	65,28,973	27.68
	Sale			02 Sep 2016	(25,000)	65,03,973	27.58
	Sale			09 Sep 2016	(20,000)	64,83,973	27.49
	Sale			16 Sep 2016	(20,000)	64,63,973	27.40
	Sale			23 Sep 2016	(25,000)	64,38,973	27.30
	Sale			30 Sep 2016	(36,002)	64,02,971	27.15
	Sale			07 Oct 2016	(25,000)	63,77,971	27.04
	Sale			14 Oct 2016	(15,000)	63,62,971	26.98
	Sale			21 Oct 2016	(25,000)	63,37,971	26.87
	Sale			28 Oct 2016	(25,000)	63,12,971	26.77
	Sale			04 Nov 2016	(20,000)	62,92,971	26.68
	Sale			11 Nov 2016	(20,000)	62,72,971	26.60
	Sale			18 Nov 2016	(20,000)	62,52,971	26.51
	Sale			25 Nov 2016	(25,000)	62,27,971	26.40
	Sale			02 Dec 2016	(30,000)	61,97,971	26.28
	Sale			09 Dec 2016	(25,000)	61,72,971	26.17
	Sale			16 Dec 2016	(26,240)	61,46,731	26.06
	Sale			23 Dec 2016	(25,000)	61,21,731	25.96
	Sale			30 Dec 2016	(20,000)	61,01,731	25.87
	Sale			06 Jan 2017	(20,000)	60,81,731	25.79
	Sale			13 Jan 2017	(25,000)	60,56,731	25.68
	Sale			20 Jan 2017	(20,000)	60,36,731	25.60
	Sale			27 Jan 2017	(20,000)	60,16,731	25.51
	Sale			03 Feb 2017	(11,000)	60,05,731	25.46
	Sale			10 Feb 2017	(10,000)	59,95,731	25.42
	Sale			17 Feb 2017	(10,000)	59,85,731	25.38
	Sale			24 Feb 2017	(7,96,935)	51,88,796	22.00
	Sale			03 Mar 2017	(50,000)	51,38,796	21.79
	Sale			10 Mar 2017	(50,000)	50,88,796	21.58
	Sale			17 Mar 2017	(1,05,000)	49,83,796	21.13
	Sale			24 Mar 2017	(48,912)	49,34,884	20.92
	Sale			31 Mar 2017	(40,000)	48,94,884	20.75
	At the end of the year					48,94,884	20.75
2	Clearwater Capital Partners Singapore Fund III Private Limited	2,57,431	1.09	NIL	NIL	2,57,431	1.09
	At the end of the year					2,57,431	1.09
3	Pawan Aggarwal	20,422	0.087			20,422	0.09
	Purchase			26 Aug 2016	68,739	89,161	0.38

Sr No.	Name & type of Transaction	Shareholding at the beginning of the year - 2016		Transactions during the year		Cumulative Shareholding at the end of the year – 2017	
		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 Sep 2016	11,039	1,00,200	0.42
	Purchase			09 Sep 2016	9,019	1,09,219	0.46
	Purchase			16 Sep 2016	2,200	1,11,419	0.47
	Purchase			16 Dec 2016	34,256	145,675	0.62
	Purchase			23 Dec 2016	22,069	1,67,744	0.71
	Purchase			30 Dec 2016	13,825	1,81,569	0.77
	Purchase			06 Jan 2017	19,221	2,00,790	0.85
	Purchase			13 Jan 2017	4,529	2,05,319	0.87
	Purchase			20 Jan 2017	23,648	2,28,967	0.97
	Purchase			27 Jan 2017	7,033	2,36,000	1.00
	At the end of the year					2,36,000	1.00
4	Prabhudas Lilladher Private Limited	0	0.00			0	0.00
	Purchase			03 Jun 2016	162	162	0.00
	Sale			28 Oct 2016	(37)	125	0.00
	Purchase			11 Nov 2016	184	309	0.00
	Sale			18 Nov 2016	(209)	100	0.00
	Purchase			24 Feb 2017	179414	1,79,514	0.76
	Sale			03 Mar 2017	(22,855)	1,56,659	0.66
	Sale			10 Mar 2017	(644)	1,56,015	0.66
	Sale			17 Mar 2017	(1,500)	1,54,515	0.65
	Purchase			31 Mar 2017	150	1,54,665	0.65
	At the end of the year					1,54,665	0.65
5	Status Capitals Pvt Ltd	0	0.00			0	0.00
	Purchase			19 Aug 2016	17,274	17,274	0.07
	Purchase			26 Aug 2016	3,878	21,152	0.09
	Purchase			02 Sep 2016	32,740	53,892	0.23
	Purchase			09 Sep 2016	12,372	66,264	0.28
	Purchase			23 Sep 2016	2,420	68,684	0.29
	Purchase			07 Oct 2016	13,532	82,216	0.36
	Purchase			14 Oct 2016	1,898	84,114	0.36
	Purchase			21 Oct 2016	359	84,473	0.36
	At the end of the year					84,473	0.36
6	Divya Pawan Chandak	0	0.00			0	0.00
	Purchase			09 Sep 2016	7,336	7,336	0.03
	Purchase			16 Sep 2016	7,482	14,818	0.06
	Purchase			23 Sep 2016	13,261	28,079	0.11
	Purchase			30 Sep 2016	816	28,895	0.12
	Purchase			07 Oct 2016	2,391	31,286	0.13
	Purchase			14 Oct 2016	5,324	36,610	0.15
	Purchase			21 Oct 2016	4,362	40,972	0.17
	Purchase			04 Nov 2016	11,981	52,953	0.22
	Purchase			25 Nov 2016	2,778	55,731	0.23

Sr No.	Name & type of Transaction	Shareholding at the beginning of the year - 2016		Transactions during the year		Cumulative Shareholding at the end of the year – 2017	
		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			10 Mar 2017	22,503	78,234	0.33
	At the end of the year					78,234	0.33
7	Vaishali Vishal Bhadlekar	0	0.00			0	0.00
	Purchase			13 Jan 2017	3,677	3,677	0.01
	Purchase			20 Jan 2017	6,478	10,155	0.04
	Purchase			27 Jan 2017	9,096	19,251	0.08
	Purchase			10 Feb 2017	5,754	25,005	0.11
	Purchase			17 Feb 2017	501	25,506	0.11
	Purchase			24 Feb 2017	200	25,706	0.11
	Purchase			03 Mar 2017	12,242	37,948	0.16
	Purchase			31 Mar 2017	18,304	56,252	0.24
	At the end of the year					56,252	0.24
8	Taramati Parmanand Shah	0	0.00			0	0.00
	Purchase			17 Mar 2017	417	417	0.00
	Purchase			24 Mar 2017	53,583	54,000	0.22
	Purchase			31 Mar 2017	10,00	55,000	0.23
	At the end of the year					55,000	0.23
9	Kamal Kumar Goyal	22,594	0.10			22,594	0.10
	Purchase			15 Apr 2016	100	22,694	0.10
	Purchase			29 Apr 2016	1,279	23,973	0.10
	Purchase			13 May 2016	1,120	25,093	0.11
	Purchase			20 May 2016	1,090	26,183	0.11
	Purchase			27 May 2016	1,000	27,183	0.11
	Purchase			03 Jun 2016	2,000	29,183	0.12
	Purchase			10 Jun 2016	2,156	31,339	0.13
	Purchase			17 Jun 2016	1,704	33,043	0.14
	Purchase			24 Jun 2016	927	33,970	0.14
	Purchase			30 Jun 2016	3,986	37,956	0.16
	Purchase			08 Jul 2016	14,010	51,966	0.22
	Purchase			12 Aug 2016	65	52,031	0.22
	Sale			24 Feb 2017	(100)	51,931	0.22
	Purchase			03 Mar 2017	100	52,031	0.22
	At the end of the year					52,031	0.22
10	Sunita Kantilal Vardhan	3,083	0.01			3,083	0.01
	Purchase			08 Apr 2016	2,749	5,832	0.025
	Purchase			22 Apr 2016	3,889	9,721	0.04
	Purchase			29 Apr 2016	6,448	16,169	0.07
	Purchase			06 May 2016	3,064	19,233	0.08
	Purchase			13 May 2016	1,650	20,883	0.09
	Purchase			03 Jun 2016	882	21,765	0.09
	Purchase			10 Jun 2016	2,498	24,263	0.10
	Purchase			17 Jun 2016	3,518	27,781	0.12

Sr No.	Name & type of Transaction	Shareholding at the beginning of the year - 2016		Transactions during the year		Cumulative Shareholding at the end of the year – 2017	
		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			08 Jul 2016	2,369	30,150	0.13
	Purchase			09 Sep 2016	609	30,759	0.13
	Purchase			28 Oct 2016	941	31,700	0.13
	Purchase			04 Nov 2016	2,056	33,756	0.14
	Purchase			16 Dec 2016	156	33,912	0.14
	Purchase			17 Mar 2017	10,477	44,389	0.19
	At the end of the year					44,389	0.19

v) Shareholding of 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	32,54,990	13.80	32,54,990	13.80
	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
1	Dr. Vithal V. Kamat	32,54,990	13.80	32,54,990	13.80

Note: Mr. Vikram V. Kamat ceased to be a Director w.e.f 15th June, 2016 and held 500 shares of the Company, Except this none of the other directors and Key Managerial Personnel held any shares in the Company during the Financial Year 2016-17

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ In lakhs)

	Secured Loans	Unsecured Loans	Deposits	Total
Indebtednes at the beginning of the Financial Year				
Principal Amount	46,975.48	2,188.22	-	49,163.70
Interest Due but not paid	5,252.41	-	-	5,252.41
Interest Accrued but not due	-	107.60	-	107.60
Change in Indebtedness during the Financial Year				
Addition (Principal)	-	9.62	-	9.62
Addition (Interest)	1,859.42	-	-	1,859.42
Reduction (Principal)	3,169.75	109.40	-	3,279.15
Reduction (Interest)	2,805.12	-	-	2,805.12
Reduction (Interest Accrued not due)	-	-	-	-
Indebtednes at the end of the Financial Year				
Principal Amount	43,805.73	2,088.44	-	45,894.16
Interest Due but not paid	4,306.71	-	-	4,306.71
Interest Accrued but not due	-	107.60	-	107.60

VI. 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 cum Managing Director)	
1.		Gross salary		
	(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	*96,00,000	96,00,000
	(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	10,059	10,059
	(c)	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)	96,10,059	96,10,059
		Ceiling as per the Act*	N.A*	

Note : *Remuneration of ₹ 48,00,000/- was paid (inclusive of perquisites) to Dr. Vithal V. Kamat for a period commencing from 1st April, 2016 to 30th September, 2016, the payment of the remaining amount the Company had made an application to the Central Government, which is awaiting disposal.

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. B.C. Kamdar	
1.	Independent Directors • Fee for attending Board Committee Meetings	1,00,000	1,25,000	50,000	NIL	2,75,000
	• Commission	NIL	NIL	NIL	NIL	NIL
	• Others, Please specify i. Fee for attending Audit Committee Meetings	NIL	NIL	NIL	NIL	NIL
	ii. Fee for Committee Meetings	NIL	NIL	NIL	NIL	NIL
	iii. Fee for Stakeholders Relationship Committee Meeting	NIL	NIL	NIL		NIL
	Total (1)	1,00,000	1,25,000	50,000	0	2,75,000
2.	Other Non Executive Directors • Fee for attending Board Committee Meetings • Commission • Others, please specify	-	--		1,00,000	1,00,000
	Total (2)	--				--
	Total (B) = (1+2)	1,00,000	1,00,000	50,000	1,00,000	3,75,000
	Total Managerial Remuneration	NIL	NIL			NIL
	Overall Ceiling as per Act	NIL	NIL			# 96,10,059

Note : Independent Directors were paid sitting fees for attending the Meeting of the Board during the Financial Year 2016-17, which were within the limits prescribed under the Companies Act, 2013.

*Mr. S. S. Thakur was inducted on the Board of the Company w.e.f. 24th September, 2016.

excluding sitting fees.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD

Amount in ₹

Sr. No.	Particulars of Remuneration	Key Managerial Personnel
		Company Secretary*
	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7,50,443
	(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	- -
	Others, please specify	-
	Total	7,50,443

* Appointed as a Company Secretary w.e.f. 24th September, 2016.

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

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

Place : Mumbai.
Date : 14th July, 2017

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

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 Chunilal Kamdar	Member (Non Executive Director)
4.	Mr. S. S. Thakur*	Member (Independent Non – Executive Director)

* inducted as a member w.e.f 24th September, 2016.

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** means personnel of the Company occupying the position of Chief Executive Officer (CEO) of any unit / division or Vice President including Vice President of any unit / division of the Company.

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, PERUSED 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.

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.

ANNEXURE "C" TO THE BOARD'S REPORT

FORM NO MR - 3

SECRETARIAL AUDIT REPORT

For the Financial year ended 31st March 2017

(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 2017 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 2017 according to the provisions of :

   i) The Companies Act, 2013 (Act) and the rules made Act, 1996 and the 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) Securities and Exchange Board of India, (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

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

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

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

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

      f) 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) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

      h) Securities and Exchange Board of India (Buyback of Securities) Regulations 1998.

      During the year under review Bombay Stock Exchange and National Stock Exchange (collective referred to as ' Stock Exchanges') levied a fine of ₹ 70,000/- (₹ 35,000/- each) for non-compliance and non-submission Financial Results for the quarter ended 31st December, 2016 within the stipulated date i.e. 14th February, 2017 under Regulation 33 of the Listing Regulations.

   VI) Applicable Laws for Restaurant and Hotel, Public Licences Permissions/Licenses from various Local Authorities, Govt. and Semi Govt. 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) Central Excise Act, 1944
   5) Customs Act, 1962
   6) Central Sales Tax Act, 1956
   7) Luxury Tax Act, of states
   8) Profession Tax Act, of states
   9) Maharashtra Value Added Tax Act, 2002, Goa Value Added Tax Act, 2005, Orissa Value Added Tax Act, 2004
   10) Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975 and 2000
   11) Maharashtra Municipal Corporation Act, 1949
   12) 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
   13) Indian GAAP (Generally Accepted Accounting Practices)
   14) CBDT, VAT, CBEC Circulars
   15) Notification from Finance Ministry, Service Tax Notifications, Rules and 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:

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 member 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) Rules 1992
14) The Water (Prevention & Control of Pollution) CESS ACT, 1977	• Payment of cess quarterly as demanded by MPCB
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	

The Company has defaulted in payment of interest and installment of principal amount on various credit facilities to Bank and Financial Institutions.

The Company had made application to Central Government for payment of remuneration to Executive Chairman and Managing Director and approval is awaited.

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, rules, regulations, guidelines, standards etc. Mentioned above.

We further report that :

The Board of Directors of the Company is duly Constituted with proper balance of Executive Directors, Non (executive) Directors and Independent Directors. The changes in 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.

The Company Secretary (KMP) has been appointed w.e.f. 24th September, 2016. Previous Chief Financial Officer (CFO) expired on 5th June, 2016 and subsequently the Company appointed new CFO w.e.f. 26th May, 2017 and hence there was a delay in CFO's appointment which was unintentional.

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.

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FOR V V CHAKRADEO & CO
COMPANY SECRETARIES

V V CHAKRADEO
COP 1705. FCS 3382

Place : Mumbai
Date : 14th July, 2017

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

V V CHAKRADEO
COP 1705. FCS 3382

Place : Mumbai
Date : 14th July, 2017

ANNEXURE "D" 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 2017.

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 2016-17 is as under:

Sr. No.	Name of KMP	Designation	% increase in Remuneration during FY 2017
1.	Dr. Vithal V. Kamat	Executive Chairman and Managing Director	N.A.
2.	Mr. Amit Vyas	Company Secretary (w.e.f 24th September, 2016)	N.A.
3.	Mr. G.N. Shenoy	Chief Financial Officer (ceased on 5th June, 2016 due to his demise)	N.A.

Notes:

a. 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 Directors do not receive any sitting fees nor any other remuneration. Therefore, providing details relating to ratio of remuneration of each Director to median remuneration of employees, would not be meaningful.

b. Mr. Amit Vyas was appointed as Company Secretary with effect from 24th September, 2016. Therefore the percentage increase in remuneration for FY 2017 is not applicable in his case.

ii. There were 1082 permanent employees on the rolls of the Company during FY 2017. The median remuneration of employees of the Company during FY 2017 was ₹ 1,74,000/-. The median remuneration of employees during FY 2017 has increased by 17.24% 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 2017 was 4.01%.

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

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

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

Place : Mumbai.
Date : 14th July, 2017

ANNEXURE "E" 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 Chunilal Kamdar

   iv. Ms. Himali H. Mehta

3. Average net profit for the last three financial years- Loss of ₹ (712.66 lakhs)

4. The prescribed expenditure on CSR- N.A

5. Details of CSR spent during the financial year:

   Amount required to be spent for FY 2016-17: N.A

   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:

(Amount in ₹)

(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	4,000	3,000	3,000	Direct
2.	Earth Day	Environmental awareness among staff and society	The Orchid, Vile Parle	5,500	3,500	3,500	Direct
3.	Earth Hour	Environmental awareness among staff and society	The Orchid, Vile Parle	-	Nil	Nil	Direct
4.	World Water Day-Poster Competition	Environmental awareness among staff and society	The Orchid, Vile Parle	-	Nil	Nil	Direct
5.	Beach cleaning drive	Beaches, Marine Ecology and social awareness	Juhu Beach, Mumbai Maharashtra	15,000	10,000	10,000	Direct
6.	Bird conservation- Sparrow lane is created at the Hotel. Bird feeders are installed in gardens across the city.	Wild life conservation	All over India	6,500	4,500	4,500	Direct
7.	Employee awareness program	Training and education on Eco practices	The Orchid, Vile Parle	15,000	13,500	13,500	Direct

(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
8.	Beautification of gardens in Mumbai	Social Activity	Mahim, Mumbai Belapur, Navi Mumbai Babulnath, Mumbai	4,25,000	3,75,000	3,75,000	Direct
9.	Nature Trial	Wild life and Environment awareness program	Dharavi, Mumbai	6,000	7,000	7,000	Direct
			Total		4,16,500		

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.

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

Dinkar D. Jadhav
DIN 01809881
Chairman of CSR Committee

Date : 14th July, 2017
Place : Mumbai

ANNEXURE "F" 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, 2017 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.

1. 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 endeavors to maintain these values on ongoing basis.

2. 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)	4	-	-	4	Yes
Mr. S. S. Thakur*	Independent Non Executive Director	5	4	7	2	Yes #
Mr. Dinkar D. Jadhav	Independent Non-Executive Director	1	0	0	4	Yes
Ms. Himali H. Mehta	Independent Non-Executive Director	0	0	0	5	Yes
Mr. Bipinchandra C. Kamdar *	Non Executive Director	1	0	1	4	Yes

* Appointed as Additional Independent Director w.e.f 24th September, 2016
# Invitee
$ Excluding Directorship in the Company and Chairmanship and membership of Committee

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 and companies where the director is an alternate director, as per Section 165 of the Companies Act, 2013.

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
28th May, 2016	4
6th August, 2016	4
24th September, 2016	4
12th November, 2016	4
21st February, 2017*	4

*Meeting adjourned from 14th February, 2017 to 21st February, 2017 for want of quorum.

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.

3. 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

4. COMMITTEES OF THE BOARD

The Board has constituted the following committees in conformity with the applicable statutory requirements and the Listing Regulations applicable on 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 four meetings of the Audit Committee were held on 28th May, 2016, 6th August, 2016, 12th November, 2016 and 21st February, 2017*. 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	2
2	Mr. Dinkar D. Jadhav	Member	3
3	Ms. Himali H. Mehta	Member	4
4	Mr. Bipinchandra C. Kamdar	Member	2

*Meeting adjourned from 14th February, 2017 to 21st February, 2017 for want of quorum.

*** Appointed as Additional Independent Director w.e.f 24th September, 2016*

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

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

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

Mr. Dinkar D. Jadhav, Chairman of Audit Committee was present at Annual General Meeting. Mr. S.S. Thakur current Chairman of Audit Commitee was appointed on 24th September, 2016.

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. Jadhav, 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 three meetings of the Nomination and Remuneration Committee was held on 28th May 2016, 6th August 2016 and 24th September, 2016. Attendance of the committee members at its meetings are as follows:

Sr No.	Name of the Member	Category	Meetings Attended
1	Mr. Dinkar D. Jadhav	Chairman	3
2	Ms. Himali H. Mehta	Member	3
3	Mr. Vikram V. Kamat*	Member	1
3	Mr. Bipinchandra C. Kamdar	Member	1
4	Mr. S. S. Thakur**	Member	NIL

* Mr. Vikram V. Kamat resigned from the office of Director of the Company w.e.f 15th June, 2016

** Mr. S. S. Thakur was appointed as Additional Independent Director w.e.f 24th September, 2016

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, 2017. No request for transfer and dematerialization were pending for approval as on 31st March, 2017.

The Registrar and Share Transfer Agents (RTA), M/s. Link Intime India Private Limited, attend to all grievances of shareholders received directly or through SEBI, 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 Committee met once i.e. on 28th May, 2016. Attendance of the committee members at its meetings are as under:

Sr.No.	Name of the Member	Category	Meeting Attended
1.	Mr. Dinkar D. Jadhav, Non Executive Independent Director	Chairman	1
2.	Mr. Vikram V. Kamat*, Director	Member	1
3.	Mr. Bipinchandra C. Kamdar**	Member	NIL

* Mr. Vikram V. Kamat resigned from the office of Director of the Company w.e.f 15th June, 2016.

** Mr. Bipinchandra C. Kamdar was appointed as Additional Director of the Company w.e.f 6th August, 2016.

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

d. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company is not required under Section 135 of the Companies Act, 2013 to constitute Corporate Social Responsibility (CSR) Committee. However, the Company has voluntarily constituted a Corporate Social Responsibility (CSR) Committee at the Board Meeting held on 22nd March, 2014.

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 28th May, 2016, during the financial year 2016-2017.

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

Sr. No.	Name of the Member	Category	Meeting Attended
1	Mr. Dinkar D. Jadhav, Non Executive Independent Director	Chairman	1
2	Mr. Vikram V. Kamat*, Director	Member	1
3	Ms. Himali H. Mehta Non Executive Independent Director	Member	1
4	Mr. Bipinchandra C. Kamdar**, Non Executive Director	Member	NIL
5	Mr. S. S. Thakur*** Non Executive Independent Director	Member	NIL

* Mr. Vikram V. Kamat resigned from the office of Director of the Company w.e.f 15th June, 2016

**Mr. Bipinchandra C. Kamdar was appointed as an Additional Director w.e.f. 6th August, 2016.

**Mr. S. S. Thakur was appointed as an Additional Independent Director w.e.f. 24th September, 2016.

The Company Secretary act as Secretary to the CSR Committee.

5. DETAILS OF REMUNERATION PAID/TO BE PAID TO THE EXECUTIVE DIRECTORS DURING THE YEAR 2016-17 ARE:

Remuneration paid/to be paid to the Executive Directors 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/-	10,059/-	Tenure: 1st October, 2016 to 31st March, 2019 Notice Period: Six Months Severance fees: NIL

- *Remuneration of ₹ 48,00,000/- was paid (inclusive of perquisites) to Dr. Vithal V. Kamat for a period commencing from 1st April, 2016 to 30th September, 2016, the payment of the remaining amount the Company has made an application to the Central Government, which is awaiting disposal.
- No payment of commission to the Executive and Non-Executive Directors was made for the period from 1st April, 2016 to 31st March, 2017.
- 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.

6. 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	1,00,000	Nil
Ms. Himali H. Mehta	1,25,000	Nil
Mr. Bipinchandra C. Kamdar	1,00,000	Nil
Mr. S. S. Thakur*	50,000	Nil
Total	3,75,000	Nil

(Inducted as an Additional Independent Director on the Board of the Company w.e.f. 24th September, 2016)

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, 2016 to 31st March, 2017.

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

Particulars	FY-2013-2014 AGM	FY-2014-2015 AGM	FY-2015-2016 AGM
Date	10th September, 2014	12th September, 2015	24th September, 2016
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	"Shubham Hall", Landmark Building, Opposite Vile Parle Railway Station, Junction of Besant Road and V. P. Road, Vile Parle (West), Mumbai – 400 056
Time	3.00 p.m.	3.30 p.m.	3.30 p.m.

Eight Special Resolutions were passed at the Annual General Meeting held on 10th September, 2014. One Special Resolution was passed at the Annual General Meeting held on 12th September, 2015. Two Special Resolutions were passed at the Annual General Meeting held on 24th September, 2016.

- **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.

8. SUBSIDIARY COMPANIES

Mr. Dinkar D. Jadhav, an Independent Director of the Company was appointed as a Director on the Board of Directors of the material 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. 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

9. 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 has not entered into any new transactions of material nature with any of its related parties that may have potential conflict with the interest of the Company. The company has formulated a policy for Related Party Transactions 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

Compliance:

Compliance with Mandatory Requirement**s:**

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.

Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by Stock Exchange(s) or the Board or any statutory authority, on any matter related to capital markets, during the last three years

Bombay Stock Exchange and National Stock Exchange (collective referred to as ' Stock Exchanges') levied a fine of ₹ 70,000/- (₹ 35,000/- each) for non-submission Financial Results for the quarter ended 31st December, 2016 within the stipulated date i.e. 14th February, 2017 under Regulation 33 of the Listing Regulations, The actual date of the Board Meeting was 14th February, 2017. However, due to want of quorum the meeting was adjourned to 21st February 2017. The management is taking various steps to avoid such non- compliance in future.

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.

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 the 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.

10. 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 and Marathi Daily Navshakti newspaper (Maharashtra edition). The results are submitted to the Stock Exchanges and are simultaneously posted on the website of the Company.

Website:

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

Annual Reports:

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

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

11. 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: Friday, 22nd September, 2017 Time: 11.30 a.m.

Venue: "Vishal Hall", Hotel Highway Inn, Sir M. V. Road (Andheri Kurla Road), Near Railway Station, Andheri (East), Mumbai – 400 069.

c. Tentative Financial Calendar

Audited Annual Accounts for the year 2016-2017	26th May, 2017
Unaudited 1st quarter Results (June 30, 2017)	Second week of August, 2017
Annual General Meeting	22nd September, 2017
Unaudited 2nd quarter Results (September 30, 2017)	Second week of November, 2017
Unaudited 3rd quarter Results (December 31, 2017)	Second week of February, 2018
For the year ending (March 2018)	Audited Financial Results will be declared within 60 days from the end of F.Y. 2017-18

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

d. Dates of book closure: from Tuesday, 12th September, 2017 to Friday, 22nd September, 2017 (both days inclusive)

e. Dividend payment date for Dividend 2016-2017: -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

National Stock Exchange of India Limited: KAMATHOTEL

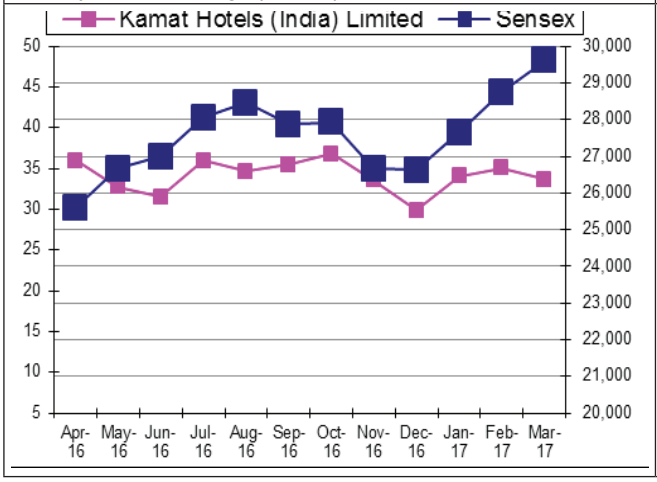
g. The Company has paid listing fee to all the Stock Exchanges upto the financial year 2017-2018.

h. Stock Market Price Data

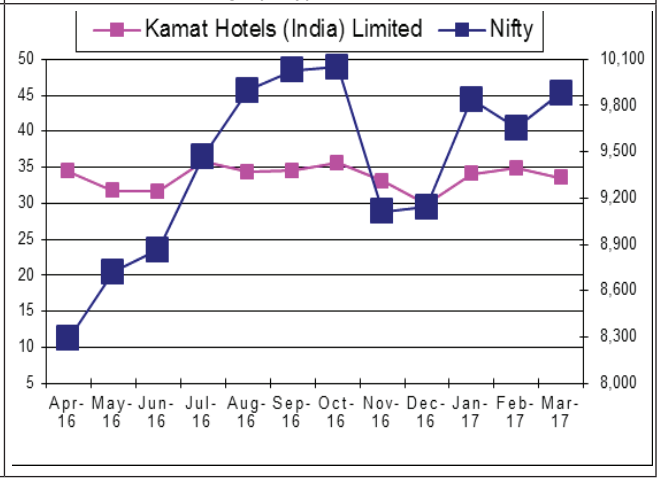
Month	Bombay Stock Exchange Limited			National Stock Exchange of India Limited		
	High (₹)	Low (₹)	Monthly Volume	High (₹)	Low (₹)	Monthly Volume
April 2016	37.65	34.00	35,235	37.25	33.60	1,02,934
May 2016	39.80	30.50	1,13,296	39.05	28.80	5,11,571
June 2016	34.00	28.80	56,821	34.30	28.10	4,18,299
July 2016	38.50	31.30	1,07,714	38.50	30.60	5,11,797
August 2016	36.75	31.60	42,883	36.75	31.60	3,26,874
September 2016	39.80	33.25	63,506	39.55	33.15	4,10,554
October 2016	39.95	34.25	30,189	37.20	34.10	2,41,580
November 2016	37.00	25.50	31,476	36.40	25.30	3,15,393
December 2016	35.00	28.30	42,899	36.10	27.40	3,18,053
January 2017	36.25	29.35	78,106	36.80	29.15	3,43,150
February 2017	42.40	33.15	5,25,672	42.50	32.25	21,74,064
March 2017	36.20	29.70	3,10,370	36.20	29.70	11,96,676

i. Performance in comparison:

Bombay Stock Exchange (Sensex)



National Stock Exchange (Nifty)



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, 2017

Shareholding of Nominal Value ₹			Number of Shareholders	% of Total	Nominal Value ₹	% of Total
1	to	5,000	6,847	87.6584	89,18,320	3.7815
5,001	to	10,000	428	5.4795	36,11,740	1.5314
10,001	to	20,000	236	3.0214	37,39,810	1.5857
20,001	to	30,000	90	1.1522	23,14,240	0.9813
30,001	to	40,000	57	0.7297	20,19,660	0.8564
40,001	to	50,000	28	0.3585	13,27,310	0.5628
50,001	to	1,00,000	57	0.7297	42,78,610	1.8142
Above 1,00,001			68	0.8706	20,96,30,890	88.8867
Total			7811	100.0000	23,58,40,580	100.0000

Category of Shareholdings as on 31st March, 2017

Category	No. of Equity Shares	% of total paid up Capital
Promoter and Promoter group	1,43,61,960	60.8969
Directors and their Relatives (other than Promoter)	-	-
Mutual Fund	1,000	0.0042
NRI/OCBs	52,99,144	22.4692
Public:		
-Corporate Bodies	4,72,380	2.0030
- Individual and Others	34,49,574	14.6267
Total	2,35,84,058	100

p. Dematerialisation of Shares

As on 31st March, 2017, 2,32,64,646 equity shares (98.65% of total equity capital) were held in dematerialised form. The trading in equity shares of the Company is permitted only in dematerialised form w.e.f. 28th May, 2001 as per the notification issued by the SEBI. 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:

1. The Orchid, 70-C, Nehru Road, Vile Parle (E), Mumbai – 400 099, Tel. No. 91-22 – 26164040.
2. VITS- Mumbai Dhanodham, Kondivita Road, Off. Andheri Kurla Road, Andheri (East), Mumbai-400 059,
   Tel.No. 022 –28270707/61517555.
3. Fort Jadhavgadh, Jadhav Wadi, Saswad, Pune-412301, Tel. No. 02115-305200/305220.
4. VITS Nashik, Near Nasardi Bridge, Nashik Pune Road, Nashik – 422001, Tel. No. 0253 2413376 / 0253 6636999.
5. Lotus Resort Konark, Ramchandi, Orissa, Tel. No. 09090093464.
6. Mahodadhi Palace, Puri, Odisha, Tel: +91 (6752) 220 440 / 220 880.
7. Lotus Resort Goa, Beach Road, Via Maria Hall, Vaswaddo, Benaulim, Salcete Goa - 403 716. India. Tel: 0832-2771175 / 6 / 8 / 9.

s. Address for Correspondence:

Registered Office: 70-C, Nehru Road, Near Santacruz Airport, Vile Parle (East), Mumbai - 400 099, Maharashtra, India. Contact Person: Company Secretary and Compliance Officer, Telephone: 022 - 26164000, Email: cs@khil.com, Website: www.khil.com

12. Certificate on Corporate Governance

Certificate from M/s. J.G. Verma & Co., Chartered Accountants, confirming compliance with the conditions of Corporate Governance as stipulated under the Listing Regulations, is enclosed to the Board's Report forming part of this Annual Report.

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

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

Place : Mumbai
Date : 14th July, 2017

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, 2017, 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 2016-17."

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

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

Place : Mumbai
Date : 14th July, 2017

ANNEXURE "G" TO THE BOARD'S REPORT

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, 2017

To the members of Kamat Hotels (India) Limited

We have examined the compliance of conditions of Corporate Governance by **Kamat Hotels (India) Limited**, for the year ended 31st March, 2017 as stipulated in Listing Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the Listing Regulation of the SEBI (Listing Obligations And Disclosures Requirements) Regulations, 2015 by the Company for the year ended 31st March, 2017.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of 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 in all material respects with the conditions of corporate governance as stipulated in the above-mentioned Clause and Regulations.

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 J.G.VERMA & CO.
Chartered Accountants
(Registration No. 111381W)

J.G. VERMA
Partner
Membership No. 5005

Mumbai: 14th July, 2017

ANNEXURE "H" 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. The Company now ventures into Hotel Business and is considered to be a Pioneer in Indian Hospitality Services. 'THE ORCHID' is a supreme brand of the Company and is respected and recognized across the world. 'THE ORCHID', An Ecotel Hotel, is Asia's First chain of 5 star environmentally sensitive hotel which has won over 95 International & National awards. The Company's properties are located at the unique destination and provide all the modern amenities to the travelers 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 remained the bright spot in the world map. There is a buzz about India, as it blazes forth as the fastest growing economy in the world at 7.1%. The trade deficit in 2016-17 was $106 billion, lower by 11% over the previous year. The current account deficit has been significantly pared. India's foreign exchange reserves as at March end 2017 were USD 370 billion. Investors are bullish. Foreign investment flows, which were at over $ 60 billion in FY-17 are scaling new records. Markets are buoyant. Stock index is at a historic peak. India's global ranking has jumped up in competitiveness and on the innovation index.

With the emergence of Goods & Services Tax ('GST'), the hospitality industry has been benefitted and your Company has accepted the roll out of GST in the positive manner which is expected to be beneficial in long run. With tax implication @ 18% for the rooms having tariff of ₹ 7,500/- or less as compared to 28% earlier is a positive takeaway for the Company as tariffs are competitive in nature.

Way forward for Indian Economy

As per the report from top research firm Morgan Stanley the Indian Economy will grow to 7.9% by December, 2017 as it enters into 'Productive Phase'. It also predicted that due to confluence of supportive factors, led by demographics, government policy action and globalisation will lead to a sustained period of productive growth in the medium term the Indian economy is expected to reach US$ 5 trillion by FY 2025.

The various initiatives and reforms of the Government have built the platform for a quantum leap ahead. High impact national projects, coming to grips with structural issues, which were holding back the country's progress, innovative approaches in policy making – have collectively contributed in driving India on a high growth trajectory.

GLOBAL SCENARIO

Notwithstanding a decline in Global GDP growth, the Travel and Tourism industry continued to show resilience in 2016. According to the World Travel and Tourism Council 58 (WTTC), Travel and Tourism, despite escalating political instability and unpredictable terrorist attacks, contributed 10.2% of global GDP and 292 million jobs in 2016 – this equates to 1 in 10 jobs in the global economy. Travel and Tourism GDP growth is anticipated to accelerate to 3.8% in 2017, up from 3.1% in 2016 and is anticipated to be 3.9% on 2018. The industry is expected to continue to drive employment in the global economy, grow by 3.9% per annum over the next decade and represent 11.4% of GDP in 2027.

INDIAN TOURISM

The Indian Travel and Tourism Industry has been a strong contributor to the nation's economic growth, emerging as a significant source of foreign exchange and a large generator of employment. As per the WTTC's Economic Impact 2017 - India Report, Travel and Tourism contributed 9.6% to the nation's GDP equating to ₹ 14 trillion (US$ 209 billion). The contribution of this sector is forecast to double, reaching over ₹ 28 trillion (US$ 424 billion) and representing 10% of the nation's GDP by 2027.

Travel and Tourism accounts for one third of India's foreign exchange earnings, and has the highest employment when compared to other sectors. In 2016, the sector employed approximately 40 million people, contributing 9.3% to total employment in the country. This is expected to rise to 50 million jobs by 2027. The travel and tourism sectors ability to create employment is significant especially given the demographics of India's population and the need of the India Economy and its people. It plays an important role in integrating society, driving development and employment in rural areas and creating employment for women.

Domestic tourism, driven by India's expanding middle class and increasing disposable incomes, has emerged as a key driver for the growth of travel and tourism. As per the Ministry of Tourism, Domestic Tourist Visits (DTVs) to the States/Union Territories (UTs) grew by 15.5% annually to 1.65 billion during 2016. Furthermore, Foreign Tourist Arrivals (FTAs) in 2016 grew by 10.7% over the previous year to reach nearly 9 million. The foreign tourist arrivals on e-visas more than doubled to 1 million as the e-visa facility was extended to 161 countries from 113 previously.

India is anticipated to rank among the top five business travel markets globally over the next ten years. Business travel spending in the country is expected to grow by 5.5% in 2017 to over ₹ 700 billion, and double to over ₹ 1.4 trillion by 2027.

OPPORTUNITIES, THREATS, RISKS AND CONCERNS IN HOSPITALITY INDUSTRY

In recent years the investment inflow from the investors has increased in Hospitality sector owing to the growth potential in the industry. Asia market has remained the shining star for attracting the investment due to tourism capacity installed in it. 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 2016, the hotel and tourism sector attracted around US$ 9.93 billion of FDI, according to the data released by Department of Industrial Policy and Promotion (DIPP).The Indian travel and tourism industry is worth US $ 116 billion and is estimated to grow at 7.5 per cent annually to US $ 250 billion by 2025. Around 83 per cent of the spend is in domestic tourism. The total contribution of travel and tourism to Indian GDP is forecasted to increase by 4.97 per cent per annum to US$ 280.5 billion by 2025 (7.2 per cent of GDP).

Credit rating agency ICRA has expected RevPar for Indian Hotel Industry to grow by eight percent to nine percent in FY2018 aided by stronger domestic demand, strong flows in Foreign Tourist Arrivals ('FTA') and the return of pricing power. Further, India's travel and tourism industry has huge growth potential. The tourism industry is also looking forward to the expansion of E-visa scheme which is expected to double the tourist inflow to India. India is projected to be the fastest growing nation in the wellness tourism sector in the next five years, clocking over 20 per cent gains annually through 2017, according to a study conducted by SRI International. As the tourism develops the opportunities comes at the door step of the hospitality industry to cater the tremendous growth in the tourism. As per the reports from different research firms, government department, agencies etc the growth of hospitality is going to be phenomenal in the coming years and your company is constantly striving to develop the system and the business model which will compliment the tourism sector in the most favorable manner.

Political turbulence in the area reduces tourist traffic and thus the business of the hotels. Lack of training to the man power is also a threat for the hospitality industry. Changing trends in the west demands similar changes in India, which are difficult to implement due to high project costs. The economic conditions of a country have a direct impact on the earnings in hotel industry therefore more stable the economy better the growth of the hospitality industry. High tax structure in the industry makes the industry worse off than its international equivalent. Effective tax in the South East Asian countries works out to only 4-5%. Risk and concerns includes socio- political risk, general economic risk, competition from global hotel chain, finance risk, regulatory and legal risk etc.

GOVERNMENT INITIATIVES:

Tourism & Hospitality sector has been universally recognised as an agent of development and an engine for socio-economic growth. 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:

- Introduction of a Mobile App: The Ministry of Tourism launched a mobile application called Swachh Paryatan, which will let citizens report any hygiene issues at various tourist destinations across the country.
- Multilingual Tourist Helpline: The Ministry of Tourism launched the 24×7 Toll Free MultiLingual Tourist Helpline in 12 languages.
- Adarsh Smarak: ASI has identified 100 monuments to be developed as Model Monuments. These monuments would be provided necessary tourist facilities including Wi-Fi, security, signage, encroachment free area, interpretation centres showing short films about the importance of monuments and signboards of Swachh Bharat Abhiyan.
- Skill development.
- 100% FDI rough the automatic route for all construction development projects such as construction of hotels and resorts, recreational facilities.

REVIEW OF OPERATIONAL AND FINANCIAL PERFORMANCE

The Company has achieved an aggregate turnover of ₹ 16,452.81 lakhs for the financial year ended on 31st March, 2017 as against the turnover of ₹ 1,5816.20 lakhs for the previous financial year. The Company has registered a sharp turnaround from loss of ₹ 8,528.27 lakhs to profit after tax of ₹ 4,057.68 lakhs as compared to the previous year.

The average occupancy level of The Orchid, Mumbai, was almost as per last year i.e around 79% . The average occupancy level of VITS Mumbai was around 78%. The Average Room Rate, during the year under review, was at ₹ 5,883/- at The Orchid, Mumbai as compared to ₹ 5,553/- in the previous year and at ₹ 4,102/- at VITS, Mumbai as compared to ₹ 3,518/- 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. Suhas M. Joshi, 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 fulfill the objectives for which they have been created.

OUTLOOK

In order to achieve Company's vision i.e. 'To make Kamat Hotels (India) Limited the country's leading Hospitality Company.' 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. Consistent improvements in member satisfaction, which are at an all-time high, are testimony to its ability to deliver unique and immersive holiday experiences at scale.

The Company eyes on all the opportunities available in the sector and endeavors to grab almost all such opportunities. Looking at the future scenario of hospitality industry coupled with government initiatives and reforms makes us believe that 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 2016-17, 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 1082 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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KAMAT HOTELS (INDIA) LIMITED

Report on the Financial Statements

We have audited the accompanying standalone financial statements of **KAMAT HOTELS (INDIA) LIMITED,** ("the Company") which comprise of the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone 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 in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the 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 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone 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, of the state of affairs of the Company as at 31st March, 2017, and its profit and its cash flows for the year on that date.

Emphasis of Matter

Attention is invited to:

1. Note 26.3 to the financial statements with regard to payment of managerial remuneration to Executive Chairman and Managing Director for the period from 1st October, 2016 to 31st March, 2017 of ₹ 48.00 lakhs in accordance the special resolution passed by the shareholders of the Company in the annual general meeting held on 24th September, 2016 for which an application has been made to the Central Government for approval, which is pending.
2. Note 37 to the financial statement with regard to default in repayment of part of the secured loans dues and failure of CDR mechanism in the earlier year and its impact.
3. Note 38 to the financial statements, which indicate that the Company's accumulated losses, are in excess of its paid up capital and reserves & surplus. These conditions along with other matters set forth in Note 37 to the financial statements, indicate the existence of a material uncertainty, which may cast significant doubt about the Company's ability to continue as a going concern.

Our opinion is not qualified in respect of these matters.

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 of India in terms of sub-section (11) of section 143 of the Act we give in the **Annexure – "A",** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
   (i) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
   (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
   (iii) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report, are in agreement with the books of account.
   (iv) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014 and the Companies (Accounting Standards) Amendment Rules, 2016.
   (v) On the basis of written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Sub-Section (2) of Section 164 of the Act.
   (vi) Our report on adequacy of internal financial controls system over financial reporting of the Company and the operating effectiveness of such controls is given in **Annexure "B"**.
   (vii) 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, in our opinion and to the best of our information and according to the explanations given to us:
      (a) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 30 and 37 to the financial statements.
      (b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
      (c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
      (d) The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and produced to us by the Management - Refer Note 20.1 to the financial statements.

For J.G.VERMA & CO.
Chartered Accountants
(Registration No.111381W)

J.G.VERMA
Partner
Membership No. 5005

Mumbai: 26th May, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in our report of even date to the members of Kamat Hotels (India) Limited for the year ended 31st March, 2017. We report that:

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets installed at its various units.

   (b) According to the information and explanations given to us, some of the fixed assets have been physically verified during the year by the management in accordance with a phased programme of verification, which in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. No material discrepancies were noticed on such verification.

   (c) According to the records of the Company examined by us and the information and explanations given to us, the title deeds of immovable properties are held in the name of the company.

2. 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.

3. (a) In respect of the loans, secured or unsecured granted to companies, firms, limited liability partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 (the Act) :

      (A) Unsecured loan of ₹ 19,646.40 lakhs to Orchid Hotels Pune Private Limited (OHPPL, a wholly owned subsidiary. Due to adverse factors, which have affected the financial position of OHPPL, there were defaults in repayment of loan and interest to its lenders and accordingly, the lenders of OHPPL declared it a non-productive asset in earlier year. 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 loan are prejudicial to the interest of the Company.

      (B) Unsecured loan of ₹ 698.74 lakhs to Mahodadhi Palace Private Limited (MPPL) a wholly owned subsidiary (formerly Fort Mahodadhinivas Palace Private Limited). Due to adverse factors, which have affected the financial position of MPPL, the aforesaid loan has been classified by the Company as doubtful of recovery and a provision has been made in the accounts for the year. In our opinion, in view of the above, the terms and conditions of the grant of such loan are prejudicial to the interest of the Company.

   (b) The above loans were not due for refund during the year and accordingly our comments on the regularity of receipt of the principal amount of these loans are not given. Interest has not been charged on the OHPPL loan for the year as the same was considered doubtful of recovery as mentioned above. Interest on the MPPL loan has been charged upto 21st February, 2017, being the date when the said loan was classified as doubtful loan, and recovered partly, and no interest charged thereafter.

   (c) There was no overdue amount in respect of the principal amount of the OHPPL loan given by the Company. In respect of MPPL loan, there was no overdue amount in respect of principal amount. The outstanding interest receivable on MPPL Loan as at 31st March, 2017 was ₹ 3.62 lakhs.

4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act, in respect of loans given, investments made, guarantees given and securities provided. Section 185 of the Act is not applicable for the Company during the year.

5 According to the information and explanations given to us, the Company has not accepted any deposit during the year and accordingly the question of complying with section 73 and 76 of the Act does not arise. We are informed that the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court has not passed any Order.

6 The maintenance of cost records has not been prescribed for any of the products/services of the Company under sub-section (1) of section 148 of the Act.7.

   (a) According to the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it though there has been a slight delay in a few cases. According to the information and explanations given to us, there were no arrears of undisputed amounts payable in respect of above statutory dues which were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.

   (b) According to the information and explanations given to us, there is no non-deposit with appropriate authorities of disputed dues of sales-tax, service tax, customs duty, excise duty or cess except in a few cases. Details of such disputed income-tax, value added tax and luxury tax, which are not deposited, are as under:

Name of the Stature / Nature of the dues and period	Amount involved (₹ in lakhs)	Forum where dispute is pending
Income-tax on regular assessment under Income Tax Act, 1961 - Assessment year 2006-07	15.31 (a)	Income Tax Appellate Tribunal
Income-tax on regular assessment under Income Tax Act, 1961 - Assessment year 2008-09	126.19 (b)	Income Tax Appellate Tribunal
Income-tax on regular assessment under Income Tax Act, 1961 - Assessment year 2008-09 (pertaining to an erstwhile Company merged with the Company in the previous year)	10.02 (c)	Income Tax Appellate Tribunal
Income-tax on regular assessment under Income Tax Act, 1961 - Assessment year 2010-11	10.69 (b)	Commissioner of Income-tax (Appeals)
Income-tax on regular assessment under Income Tax Act, 1961 - Assessment year 2010-11 (pertaining to an erstwhile Company merged with the Company in the previous year)	6.56	Commissioner of Income-tax (Appeals)
Income-tax on regular assessment under Income Tax Act, 1961 - Assessment year 2011-12	8.94 (d)	Commissioner of Income-tax (Appeals)
Income-tax on regular assessment under Income Tax Act, 1961 - Assessment year 2012-13	105.53	Commissioner of Income-tax (Appeals)
Income-tax on regular assessment under Income Tax Act, 1961 - Assessment year 2013-14	214.74	Commissioner of Income-tax (Appeals)
Income-tax on regular assessment under Income Tax Act, 1961 - Assessment year 2014-15	558.04 (e)	Commissioner of Income-tax (Appeals)

Name of the Stature / Nature of the dues and period	Amount involved (₹ in lakhs)	Forum where dispute is pending
VAT on regular assessment under Maharashtra Value Added Tax Act , 2002 – Year 2006-07	18.64 (f)	Joint Commissioner of Sales-tax (Appeals)
VAT on regular assessment under Maharashtra Value Added Tax Act , 2002 – Year 2007-08	15.42 (f)	Joint Commissioner of Sales-tax (Appeals)
VAT on regular assessment under Maharashtra Value Added Tax Act , 2002 – Year 2008-09	15.95 (f)	Joint Commissioner of Sales-tax (Appeals)
VAT on regular assessment under Maharashtra Value Added Tax Act , 2002 – Year 2009-10	61.71 (f)	Joint Commissioner of Sales-tax (Appeals)
VAT on regular assessment under Maharashtra Value Added Tax Act , 2002 – Year 2010-11	8.91 (f)	Joint Commissioner of Sales-tax (Appeals)
VAT on regular assessment under Maharashtra Value Added Tax Act , 2002 – Year 2011-12	279.97 (f)	Joint Commissioner of Sales-tax (Appeals)
VAT on regular assessment under Maharashtra Value Added Tax Act , 2002 – Year 2012-13	40.09	Joint Commissioner of Sales-tax (Appeals) (appeal being filed)
Luxury Tax on regular assessment under Maharashtra Tax on Luxury Act, 1987 – Year 2011-12	1.11	Joint Commissioner of Sales-tax (Appeals)
Luxury Tax on regular assessment under Maharashtra Tax on Luxury Act, 1987 – Year 2012-13	15.90	Joint Commissioner of Sales-tax (Appeals) (appeal being filed)
Luxury Tax on regular assessment under Maharashtra Tax on Luxury Act, 1987 – Year 2013-14	16.58	Joint Commissioner of Sales-tax (Appeals) (appeal being filed)
Finance Act, 1994 (Service tax) – Year 2014-15	195.84	Commissioner of Service tax (Appeals) (appeal being filed)

(a) A sum of ₹ 13.78 lakhs has been recovered by the Department against this demand.

(b) These demands have been fully recovered by the Department.

(c) A sum of ₹ 8.77 lakhs has been recovered by the Department against this demand.

(d) A sum of ₹ 8.69 lakhs has been recovered by the Department against this demand.

(e) A sum of ₹ 163.74 lakhs has been recovered by the Department against this demand.

(f) A sum of ₹ 15.00 lakhs has been deposited by the company against this demand, pending disposal of appeal.

8 In our opinion and according to the information and explanations given to us, the Company has defaulted in payment of interest and payment of principal to financial institution and banks during the year under report as under:

S. No.	Name of the lender	Amount of default – ₹ in lakhs	Period of delay	Remarks
1	Canara Bank	5,839.31	945 days	Principal
		3,572.80	1 to 1097 days	Interest
2	Andhra Bank (*)	4,934.02	847 days	Principal
		2044.52	1 to 1002 days	Interest
3	Central Bank of India	1,278.45	780 days	Principal
		676.73	1 to 1036 days	Interest
4	Bank of India (*)	1,085.67	716 days	Principal
		457.07	1 to 946 days	Interest
5	Corporation Bank (*)	639.70	780 days	Principal
		303.36	1 to 1028 days	Interest
6	Syndicate Bank (*)	868.92	710 days	Principal
		365.72	1 to 896 days	Interest
7	IL&FS Financial Services Limited (*)	1598.78	619 days	Principal
(*) Note: These loans have been assigned by the respective lenders to asset management companies or settled during the year and accordingly at the end of the year, there were no delays.				

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

9 According to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year.

10 During the course of our examination of the books of account and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instances of fraud by the Company or any fraud on the Company by its officers and employees was noticed or reported during the year, nor have we been informed of any such instance by the management.

11 According to the records of the Company examined by us and the information and explanations given to us, managerial remuneration has been paid / provided by the Company in accordance with the requisite approvals mandated by the provisions of section197 read with Schedule V to the Act except that application for approval of the remuneration of ₹ 48.00 lakhs paid to the Executive Chairman and Managing Director during the year for the period from 1st October, 2016 to 31st March, 2017 is pending before the Central Government and approval is awaited. Refer Note 26.3 of the financial statements.

12 The Company is not a Nidhi Company hence our comments as required under clause 3 (xii) of the Order is not applicable to the Company.

13 In our opinion and according to the records of the Company examined by us and the information and explanations given to us, the transactions entered into by the Company during the year with related parties are in compliance with the provisions of Section 177 and 188 of the Act, where applicable and the details thereof have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.

14 According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

15 According to the records of the Company examined by us and the information and explanations given to us, the Company has not entered into any non-cash transactions referred to in section 192 of the Act with directors of the Company or persons connected with them during the year.

16 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 J.G.VERMA & CO.
Chartered Accountants
(Registration No.111381W)

J.G.VERMA
Partner
Membership No. 5005

Mumbai: 26th May, 2017

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in paragraph 2 (vi) under 'Report on Other Legal and Regulatory Requirements' in our report of even date to the members of **KAMAT HOTELS (INDIA) LIMITED** for the year ended 31st March, 2017. We report that:

Report on the Internal Financial Controls over Financial Reporting 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, 2017 in conjunction with our audit of the 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. 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 Companies Act, 2013.

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 Companies Act, 2013, 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 Institute of Chartered Accountants of India. 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 judgement, 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A 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 expenditure of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 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, 2017, 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.

For J.G.VERMA & CO.
Chartered Accountants
(Registration No.111381W)

J.G.VERMA
Partner
Membership No. 5005

Mumbai: 26th May, 2017

BALANCE SHEET AS AT 31ST MARCH, 2017

(₹ in Lakhs)

PARTICULARS	NOTE	AS AT 31ST MARCH, 2017		AS AT 31ST MARCH, 2016
EQUITY AND LIABILITIES:				
Shareholders' Funds:				
(a) Share Capital	3	**2,417.26**		2,417.26
(b) Reserves and Surplus	4	**(9,527.34)**		(13,585.02)
			(7,110.08)	(11,167.76)
Non-Current Liabilities:				
(a) Long-Term Borrowings	5	**31,272.87**		28,887.36
(b) Deferred Tax Liabilities (Net)	6	**-**		-
(b) Other Long-Term Liabilities	7	**1,570.02**		1,761.88
(c) Long-Term Provisions	8	**174.25**		141.91
			33,017.14	30,791.15
Current Liabilities:				
(a) Short-Term Borrowings	9	**-**		772.43
(b) Trade Payables	10	**2,336.01**		2,473.83
(c) Other Current Liabilities	11	**19,650.70**		25,086.38
(d) Short-Term Provisions	12	**206.01**		153.98
			22,192.72	28,486.62
TOTAL			**48,099.78**	**48,110.01**
ASSETS:				
Non-Current Assets:				
(a) **Fixed Assets:**				
(i) Tangible Assets	13	**30,479.79**		31,635.16
(ii) Intangible Assets	13	**31.56**		29.78
(iii) Capital Work-In-Progress	13	**34.32**		21.35
		30,545.67		31,686.29
(b) Non-Current Investments	14	**9.03**		552.08
(c) Long-Term Loans and Advances	15	**1,222.14**		1,879.34
(d) Other Non-Current Assets	16	**8,151.65**		8,158.08
			39,928.49	42,275.79
Current Assets:				
(a) Current Investments	17	**15.00**		4.16
(b) Inventories	18	**451.60**		461.32
(c) Trade Receivables	19	**778.07**		1,013.02
(d) Cash and Bank Balances	20	**317.62**		500.86
(e) Short-Term Loans and Advances	21	**6,482.44**		3,577.31
(f) Other Current Assets	22	**126.56**		277.55
			8,171.29	5,834.22
TOTAL			**48,099.78**	**48,110.01**
SIGNIFICANT ACCOUNTING POLICIES	2			
THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS	1 to 39			

As per our report of even date

For and on behalf of Board of Directors

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

J. G. Verma
Partner
Membership No. 5005
Mumbai : 26th May, 2017

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

Bipinchandra C. Kamdar
Director
(DIN : 01972386)

Amit Vyas
Company Secretary

S.S.Thakur
Director
(DIN : 00001466)

Smita Nanda
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakhs)

	NOTE	YEAR ENDED 31ST MARCH, 2017		YEAR ENDED 31ST MARCH, 2016
INCOME:				
Revenue from Operations	23		**15,667.34**	15,085.68
Other Income	24		**785.47**	731.65
Total Revenue			**16,452.81**	**15,817.33**
EXPENSES:				
Cost of Food and Beverages Consumed	25		**1,298.20**	1,365.08
Employee Benefits Expense	26		**3,526.42**	3,617.45
Other Expenses	27		**5,497.54**	6,161.47
Finance Costs	28		**2,647.54**	3,946.43
Depreciation and Amortisation Expense	13		**1,255.45**	1,280.04
Total Expenses			**14,225.15**	**16,370.47**
Profit/ (Loss) Before Exceptional Items and Tax			**2,227.66**	**(553.14)**
Add: Exceptional Items	29		**1,830.02**	(8,092.30)
Profit/ (Loss) Before Tax			**4,057.68**	**(8,645.44)**
Tax Expense:				
Current Tax (under MAT)		**11.20**		-
Prior Period Adjustments - Income Tax		**-**		(117.17)
Deferred Tax	6	-		-
		11.20		(117.17)
Less: MAT Credit Entitlement		**11.20**		-
			-	(117.17)
Profit/(Loss) for the year			**4,057.68**	**(8,528.27)**
Earning Per Equity Share of face value of ₹ 10/- each				
Basic (In ₹)			**17.21**	(36.16)
Diluted (In ₹)			**17.21**	(36.16)
SIGNIFICANT ACCOUNTING POLICIES	2			
THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS	1 to 39		.	

As per our report of even date

For and on behalf of Board of Directors

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

J. G. Verma
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Membership No. 5005
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Director
(DIN : 01972386)

Amit Vyas
Company Secretary

Smita Nanda
Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakhs)

	PARTICULARS	YEAR ENDED	
		31ST MARCH, 2017	**31ST MARCH, 2016**
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Profit / (Loss) for the year before tax and adjustments	**4,057.68**	(8,645.44)
	Adjustments for:		
	Depreciation	**1,255.45**	1,280.04
	Amortisation of Advance Time Share Membership	**(73.86)**	(73.86)
	Excess Provision of Interest of earlier years written back	**(2,576.38)**	(745.82)
	Excess Provision of Depreciation of earlier years written back	**-**	(146.01)
	(Profit) / Loss on Sale/ Discard of Fixed Assets / Operating Supplies	**18.21**	(442.30)
	Loss on Diminution of Investments	**(0.84)**	0.53
	Provision for Diminution of Investments in Subsidiary	**533.00**	9,327.75
	Reduction in Liability towards long term and short term borrowings	**(485.38)**	-
	Liabilities and Provisions written Back (Net)	**(240.50)**	(152.08)
	Provision for Employee Benefits	**113.35**	34.44
	Provision for Doubtful Loans (Subsidiary)	**698.74**	-
	Provision for Doubtful Debts, Advances and Bad Debts	**67.86**	188.09
	Dividend income	**(0.43)**	(0.53)
	Interest income	**(377.39)**	(179.38)
	Interest Expenses	**2,647.55**	3,946.44
	Operating profit before working capital changes	**5,637.06**	**4,391.87**
	Trade Receivables and Loans and Advances	**570.46**	(194.16)
	Inventories	**9.72**	(12.08)
	Trade Payables and Provisions	**403.10**	1,116.17
	Cash generated from operations	**6,620.34**	**5,301.80**
	Direct taxes (Net)	**(162.44)**	(157.99)
	Net cash generated from operating activities	**6,457.90**	**5,143.81**
B.	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	Purchase of Fixed Assets	**(151.21)**	(241.13)
	Sale of Fixed Assets	**18.17**	548.04
	Sale of Investments	**0.05**	-
	Margin Money with Banks	**(2.50)**	(8.80)
	Interest Received	**528.39**	50.20
	Dividend Received	**0.43**	0.53
	Net cash generated from / (used in) investing activities	**393.33**	**348.84**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017 (contd...)

(₹ in Lakhs)

PARTICULARS	YEAR ENDED	
	31ST MARCH, 2017	**31ST MARCH, 2016**
C. **CASH FLOW FROM FINANCING ACTIVITIES:**		
Repayment of long term borrowings	**(3,359.02)**	(2,016.65)
Repayment of short term borrowings	**(5.69)**	(65.24)
Deposits with Prothonotary & Senior Master, Bombay High Court (Refer Note 5.5)	**(3,181.17)**	(3,050.24)
Interest paid	**(488.98)**	(530.47)
Dividend paid / deposited with Investor Protection Fund	**(2.10)**	(4.07)
Net cash generated from / (used in) financing activities	**(7,036.96)**	**(5,666.67)**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**(185.74)**	(174.01)
CASH AND CASH EQUIVALENTS AS AT 01.04.2016 (Opening Balance)	**454.17**	628.18
CASH AND CASH EQUIVALENTS AS AT 31.03.2017 (Closing Balance)	**268.43**	**454.17**
Components of Cash and Cash Equivalents		
- Balance with Banks	**223.60**	421.14
- Cash on hand	**43.33**	20.98
- Cheques on hand	**1.23**	11.71
- Foreign Exchange in hand	**0.27**	0.34
Total Cash and Cash Equivalents (Note No. 20)	**268.43**	**454.17**
SIGNIFICANT ACCOUNTING POLICIES	Note 2	
THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS	Note 1 to 39	

As per our report of even date

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

J. G. Verma
Partner
Membership No. 5005

Mumbai : 26th May, 2017

For and on behalf of Board of Directors

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

S.S.Thakur
Director
(DIN : 00001466)

Bipinchandra C. Kamdar
Director
(DIN : 01972386)

Amit Vyas
Company Secretary

Smita Nanda
Chief Financial Officer

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017.

1 CORPORATE INFORMATION:

Kamat Hotels (India) Limited ("the Company" or "Kamats") was incorporated in India on 21st March, 1986 as a public limited Company under the Companies Act, 1956 with its registered office located in Mumbai. The Company went public in April 1994 and the shares are currently listed on Bombay Stock Exchange and National Stock Exchange.

Kamats is operating in hospitality sector, with its hotels and restaurants located in the states of Maharashtra (Mumbai, Nashik, Pune and Murud) Goa (Benaulim) and Orissa (Puri and Konark).

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis for Preparation of Financial Statements:

The financial statements are prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with accounting principles generally accepted in India ("Indian GAAP") which interalia comprises mandatory Accounting Standards as specified under section 133 of the Companies Act, 2013 (read with Rule 7 of the Companies (Accounts) Rules 2014) and guidelines issued by SEBI. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

2.2 Use of Estimates:

The preparation of the financial statements in conformity with Indian GAAP requires Company management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as of the date of financial statements. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

2.3 Fixed Assets, Depreciation and Amortisation:

Fixed assets are carried at cost of acquisition less accumulated depreciation. The cost of acquisition includes inward freight, duties, taxes and other directly attributable incidental expenses, including foreign exchange fluctuation gains / losses on depreciable assets and borrowing cost.

i) Effective from 1st April, 2014, Depreciation is provided on the items of tangible fixed assets in the accounts on straight -line method based on the useful lives of those assets prescribed in Schedule II to the Companies Act, 2013 after considering the residual value not exceeding 5% of the cost. Buildings taken on lease and leasehold improvements are depreciated over the primary lease period. Cost of intangible assets is amortized in accordance with the provisions of Accounting Standard 26- " Intangible Assets ".

ii) Where the historical cost of a depreciable asset undergoes a change due to increase or decrease on account of price adjustments, changes in duties or similar factors, depreciation on the revised amount is provided prospectively over the residual useful life of the asset.

2.4 Impairment:

The carrying amounts of the Company's assets including intangible assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated, as the higher of the net selling price and the value in use. Any impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds, its recoverable amount.

2.5 Leases:

Lease payments under an operating lease are recognised as an expense in the Statement of Profit and Loss as per the terms of the respective lease agreement.

2.6 Investments:

Current investments are carried at lower of cost and quoted /fair value, computed category wise. Non-Current investments are carried at cost less any, diminution in value, other than temporary, determined separately for each individual investment.

2.7 Inventories:

Inventories are valued at lower of cost (weighted average basis) and net realisable value.

2.8 Revenue Recognition:

The Company derives revenues primarily from hospitality services. Revenue on time and material contracts are recognised as the related services are performed. Revenue from fixed price contracts are recognised using the percentage completion method. Revenue yet to be billed is recognised as unbilled revenue. Amounts received on long term service contracts are represented as advance billing and is recognised proportionately over the period of the contract.

Sales and services are stated exclusive of taxes.

Interest income is recognised using the time proportion method based on the underlying interest rates. Dividends are recorded when the right to receive payment is established.

2.9 Export Benefits Entitlement:

Benefits arising out of Duty Free Scrips utilized for the acquisition of fixed assets are being adjusted against the cost of the related fixed assets.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017.

2.10 Foreign Exchange Transactions:

Transactions in foreign currencies are recorded at the exchange rates prevailing at the date of the transactions. Exchange differences arising on foreign currency transactions other than long term foreign currency items of assets and liabilities having a term of twelve months or more, and settled during the year are recognised in the Statement of Profit and Loss for the year.

Monetary assets and liabilities denominated in foreign currency at the Balance Sheet date other than long term foreign currency items of assets and liabilities having a term of twelve months or more as discussed herein below, are translated at the year end exchange rate and the resultant exchange differences are recognised in the Statement of Profit and Loss. Exchange differences relating to long term foreign currency items of assets and liabilities having a term of twelve months or more as covered in the Companies (Accounting Standards) Amendment Rules 2009 on Accounting Standard 11 The Effects of change in Foreign Exchange Rates (AS-11) notified by Government of India on 31st March 2009 in so far as they relate to the acquisition of a depreciable capital asset, are added to or deducted from the cost of the assets and depreciated over the balance useful life of the asset, and in other cases are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortized over the balance period of such long term monetary item in accordance with the aforesaid Notification.

2.11 Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. However, capitalization of such costs is suspended during extended periods in which active development of qualifying asset is interrupted. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are recognised in the Statement of Profit and Loss. Interest income earned from temporary deposits out of borrowed money pending deployment of funds to the full extent or until qualifying assets is ready, is reduced from borrowing costs capitalized.

2.12 Provisions, Contingent Liabilities and Contingent Assets:

The Company creates a provision where there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. 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 in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent Assets are neither recognized nor disclosed in the financial statements.

2.13 Employee Benefits:

Contribution to Provident Fund, which is a defined contribution scheme, is recognised as an expense in the Statement of Profit and Loss in the year in which the contribution is made.

Provision for compensated absences is determined on the basis of actuarial valuation carried out by an independent actuary at the Balance Sheet date.

The Company contributes to a Group Gratuity Scheme administered by the Life Insurance Corporation of India. The Contributions are charged to the Statement of Profit and Loss. Provision is made for the difference between the actuarial valuation (determined as at the Balance Sheet date) and the funded balance on the basis of projected unit credit method carried out annually by an independent actuary. Actuarial gains and losses are immediately recognized in the Statement of Profit and Loss.

2.14 Taxation:

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred taxes reflect the impact of current period timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence, that such deferred tax assets can be realized against future taxable profits. Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realised.

2.15 Prior Period Adjustments, Exceptional and Extraordinary Items and Changes in Accounting Policies:

Prior period adjustments, exceptional and extraordinary items and changes in accounting policies having material impact on the financial affairs of the Company are disclosed.

2.16 Earnings Per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting year. The weighted average number of equity shares outstanding during the year are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares). For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakhs)

		AS AT 31ST MARCH, 2017	AS AT 31ST MARCH, 2016
3	**SHARE CAPITAL :**		
	AUTHORISED:		
	3,42,50,000 (Previous Year 3,42,50,000) Equity Shares of ₹ 10/- each.	**3,425.00**	3,425.00
		3,425.00	**3,425.00**
	ISSUED, SUBSCRIBED AND PAID UP		
	2,35,84,058 (Previous Year 2,35,84,058) Equity Shares of ₹ 10/- each, fully paid up	**2,358.41**	2,358.41
	Add: Forfeited Shares Account (Amount originally paid up)	**58.85**	58.85
	Total	**2,417.26**	**2,417.26**

3.1 Terms/ rights attached to equity shares

The Company has only one class of equity shares having a face value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity share held by the shareholders.

3.2 The details of Shareholders holding more than 5% shares:

Name of Shareholder	AS AT 31ST MARCH, 2017		AS AT 31ST MARCH, 2016	
	No of Shares	% held	No of Shares % held	% held
Kamat Holdings Private Limited	**15,00,000**	**6.36**	15,00,000	6.36
Plaza Hotels Private Limited	**35,35,545**	**14.99**	35,35,545	14.99
Indira Investments Private Limited	**15,63,794**	**6.63**	15,63,794	6.63
Dr. Vithal V. Kamat	**32,54,990**	**13.80**	32,54,990	13.80
Clearwater Capital Partners Cyprus Limited	**51,52,315**	**21.85**	72,99,811	30.95

3.3 The reconciliation of the number of shares outstanding is set out below:

	AS AT 31ST MARCH, 2017 No of Shares	AS AT 31ST MARCH, 2016 No of Shares
Equity Shares at the beginning of the year	**2,35,84,058**	2,35,84,058
Changes during the year	**-**	-
Equity Shares at the end of the year	**2,35,84,058**	**2,35,84,058**

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakhs)

		AS AT 31ST MARCH, 2017		AS AT 31ST MARCH, 2016
4	**RESERVES AND SURPLUS:**			
	Capital Reserve:			
	As per last accounts		**13.87**	13.87
	Capital Redemption Reserve:			
	As per last accounts		**266.50**	266.50
	Securities Premium Account:			
	As per last accounts		**14,986.74**	14,986.74
	Amalgamation Reserve			
	As per last accounts (Refer Note 4.1)		**280.06**	280.06
			15,547.17	15,547.17
	Surplus/(Deficit) in the Statement of Profit and Loss			
	As per last accounts	**(29,132.19)**		(20,603.92)
	Add/ (Less): Profit/ (Loss) for the year	**4,057.68**		(8,528.27)
			(25,074.51)	(29,132.19)
			(9,527.34)	**(13,585.02)**

4.1 In terms of the Bombay High Court Order dated 13th January, 2012 the above reserve is not available for distribution as dividend by the Company.

(₹ in Lakhs)

		AS AT 31ST MARCH, 2017		AS AT 31ST MARCH, 2016	
5	**LONG-TERM BORROWINGS**	**Non Current**	**Current**	**Non Current**	**Current**
	SECURED:				
A	Term Loans from Banks (Refer Note 5.1 and 5.4)	**22,087.50**	**6,550.70**	19,923.48	9,686.14
B	Term Loans Under Structured Mezzanine Credit Facility from banks (Refer Note 5.2)	**2,267.00**	**4,335.16**	1,399.50	5,560.77
C	Term Loan from a Financial Institution (Refer Note 5.3 and 5.4)	**3,687.38**	**327.00**	4,014.38	278.00
D	Term Loans From Others (Refer Note 5.3 and 5.4)	**3,230.99**	**1,320.00**	3,550.00	1,790.78
		31,272.87	**12,532.86**	**28,887.36**	**17,315.69**

5.1 Term loans from Banks (including assigned loans of ₹ 24,426.99 lakhs (Previous year ₹ 21,240.00 lakhs)) are secured by a 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, first / second ranking pari-passu mortgage on Company's immovable property being Hotel "VITS" at Andheri (East), hypothecation on movable fixed assets of Company's hotels at Fort Jadhav Gadh Pune and VITS Nashik, Credit Card receivables, equitable mortgage of hotel property at Lotus Goa, pledge of Equity Shares of the Company held by promoters, pledge of Equity Shares of the Subsidiary companies viz. Orchid Hotels Pune Pvt. Ltd., Kamats Restaurants (India) Pvt. Ltd., Fort Jadhavgadh Hotels Pvt. Ltd. and Mahodadhi Palace Pvt. Ltd. and certain Associate Companies viz. ILEX Developers and Resorts Ltd. Plaza Hotels Pvt. Ltd. and Kamat Holiday Resorts (Silvassa) Ltd. and personal and corporate guarantees of certain promoter directors and entities.

5.2 Term Loans under Structured Mezzanine Credit Facility from Banks including assigned loans of ₹ 2,501.50 lakhs (Previous year ₹ 1,489.00 Lakhs), and restructurred loans under OTS of ₹ 1,223.69 lakhs (Previous year ₹ NIL) are secured by 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, Credit Card receivables personal and corporate guarantees of certain promoter directors and entities and certain other collateral securities.

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

5.3 Term loans from Financial Institution and Others including assigned loans of ₹ 8,562.36 lakhs (Previous year ₹ 8,034.38 lakhs) are secured by 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, first / second ranking pari-passu mortgage on Company's immovable property being Hotel "VITS" at Andheri (East), hypothecation of all movable assets there at, Credit Card receivables, pledge of Equity Shares of the Company held by promoters, pledge of Equity Shares of the Subsidiary companies viz. Orchid Hotels Pune Pvt. Ltd., Kamats Restaurants (India) Pvt. Ltd., Fort Jadhavgadh Hotels Pvt. Ltd. and Mahodadhi Palace Pvt. Ltd. and certain Associate Companies viz. Ilex Developers and Resorts Ltd., Plaza Hotels Pvt. Ltd. and Kamat Holiday Resorts (Silvassa) Ltd. and personal and corporate guarantees of certain promoter directors and entities and certain other collateral securities.

5.4 The Corporate Debt Restructuring (CDR) Scheme sanctioned by the Corporate Debt Restructuring Empowered Group vide sanction letter dated 12th March, 2013 in respect of restructured debts of ₹ 33,636.36 lakhs from some of the lenders failed in the financial year ended 31st March 2015 as despite best efforts by the Company, the stipulated assets of the Company could not be sold and consequently the debts aggregating to ₹ 19,614.37 lakhs agreed to be repaid out of the above debts could not be repaid by 31st March, 2014. As explained in Note 38 to Financial Statements the concerned lenders recalled their entire dues. Some of the lenders assigned their respective loans aggregating to ₹ 42,727.46 lakhs (Prev. Year ₹ 32,147.88 lakhs) along with working capital facility as mentioned in Note No.9 to securitisation and asset reconstruction companies during the year and earlier years. Likewise some of the lenders have restructured loans under One Time Settlement aggregating to ₹ 2,276.68 lakhs (Prev. Year ₹ Nil). Accordingly, these loans at their restated values have been classified as Non-Current and Current Maturities in accordance with the agreements with the assignees. These loans have been referred to as assigned loans. The company is discharging its obligations in terms of the settlement with the respective assignees. In the event of default of terms and condition of the settlements the company may be liable to pay additional and penal interest and charges which are estimated to be ₹ 11761.43 lakhs (Previous year ₹ 5,867.71 Lakhs) for which the provision has been deemed necessary to be made by the management of the company for the time being.

5.5 In respect of loan from a lender no provision for interest of ₹ 277.27 lakhs was made in the previous year ended 31st March, 2016 as the Company had not accepted the claims and matter was disputed and pending before the Bombay High Court where in another lender intervened and joined the first lender. In terms of interim orders passed by the Bombay High Court, the Company has deposited an aggregate amount of ₹ 6,231.41 Lakhs (Previous year ₹ 3,050.24 lakhs) with the Prothonotary & Senior Master till 31st March, 2017 which has been shown in Note 21. Adjustments, if any, will be made on reconciliation / settlement and disposal of the legal case filed by the lender. Pending disposal of the case, the lenders has assigned the entire loan to an asset management company during the year. In terms of the settlement with the assignee, the Company has agreed to pay ₹ 202.21 lakhs (Previous year NIL) as additional liability over and above the existing loans, which has been charged to the Statement of Profit and Loss for the year ended 31st March 2017. (Refer Note 28).

5.6 Borrowings out of the aggregate amount of Non-Current and Current portion of ₹ 43,805.73 lakhs (Prev. Year ₹ 46,203.05 lakhs), to the extent of ₹ 7,117.76 lakhs (Prev. Year ₹ 16,244.79 laksh) are subject to confirmation from respective lenders, who have initiated recovery proceeding including under SARFAESI Act and the Negotiable Instrument Act ,1881. Since the relevant loan has been fully assigned, the company is advised that the proceedings under the Negotiable Instrument Act will not survive. In the event these proceedings are held against the company, the Company may be liable to pay penalty which is estimated at ₹ 1,000.00 lakhs (Previous year ₹ 1,000.00 lakhs) for which no provision is deemed necessary to be made by the management of the company for the time being.

5.7 Maturity Profile of Term Loans from Banks and others (Non - Current) and rate of interest are as set out below (after considering failure of CDR Scheme and Assignment of loans) :

(₹ In Lakhs)

	Rate of Interest	Maturity Profile			
	(p.a)	1-2 Years	2-3 Years	3-4 Years	4 Years & Above
Term Loans from Banks	Not applicable	14,416.58	3,155.12	3,770.80	745.50
Term Loans Under Structured Mezzanine Credit Facility from banks	Not applicable	377.00	610.00	671.00	609.00
Term Loan from a Financial Institution	Not applicable	1,946.00	1,741.38	-	-
Term Loans From Others	Not applicable	672.99	572.00	666.00	1,320.00

5.8 Out of the above loans, comprising of both non-current and current portion, loans aggregating to ₹ 43,805.73 lakhs (Previous year ₹ 46,203.05 lakhs) have been guaranted by directors and others.

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

5.9 Particulars of period and amount of continuing default as on the Balance Sheet date in repayment of loans:

		31ST MARCH, 2017 (₹ in Lakhs)		
		Current	Interest	Period of delays From - To Days
A	Term Loans from Banks	4,240.79	2,726.23	1 - 1097
B	Term Loans Under Structured Mezzanine Credit Facility from banks	2,876.97	1,523.30	1 - 1036

(₹ in Lakhs)

		AS AT 31ST MARCH, 2017	AS AT 31ST MARCH, 2016
6	**DEFERRED TAX LIABILITY:**		
	Deferred tax Liability		
	Related to Depreciation on Fixed Assets	**4,120.39**	4,249.91
	Total	**4,120.39**	**4,249.91**
	Deferred tax Assets		
	Expenses allowable for tax purpose on payment basis	**3,492.69**	4,427.88
	Provision for Employee Benefits	**37.48**	102.40
	Provision for Doubtful Debts	**405.14**	401.05
	Unabsorbed Depreciation /Business Loss	**205.40**	904.45
	Total	**4,140.71**	**5,835.78**
	Deferred Tax Liability/(Assets) (net) after adjustments	**(20.31)**	**(1,585.87)**
	Incremental Deferred Tax (asset) / charge for the year (Refer Note 6.1)	**1,565.56**	**182.01**

6.1 Applying the principles of Accounting Standard 22-'Accounting for Taxes on Income', Deferred Tax Assets for the year and previous year including relating to additional depreciation provided in terms of Schedule II to the Companies Act, 2013 have been recognised only to the extent of Deferred Tax Liability.

(₹ in Lakhs)

		AS AT 31ST MARCH, 2017	AS AT 31ST MARCH, 2016
7	**OTHER LONG-TERM LIABILITIES:**	**-**	**-**
	Deferred Sales Tax Liability (Refer Note 7.1)	**25.00**	50.00
	Security Deposits - Others	**521.81**	470.38
	Security Deposits from Joint Venture Company (Refer Note 7.2)	**80.00**	80.00
	Time Share Membership- Refundable	**376.83**	521.27
	Income received in Advance (Time Share)	**566.38**	640.23
	Total	**1,570.02**	**1,761.88**

7.1 The Company has deferred its Sales tax liability in terms of entitlement granted for availing sales tax incentives issued by the Sales Tax Department, Maharashtra. This liability has become due in installments from the year 2013 to 2022 and is being paid accordingly.

7.2 The Company has received Long term trade deposit of ₹ 80.00 lakhs (Previous Year ₹ 80.00 lakhs) from Ilex Developers & Resorts Limited, a jointly controlled entity, as a security for the hotel property given for development and expansion for a period of 20 years.

(₹ in Lakhs)

		AS AT 31ST MARCH, 2017	AS AT 31ST MARCH, 2016
8	**LONG-TERM PROVISIONS:**		
	Provision for Employee Benefits- Earned Leave (Refer Note 26.1.3)	**174.25**	141.91
	Total	**174.25**	**141.91**

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakhs)

		AS AT 31ST MARCH, 2017	AS AT 31ST MARCH, 2016
9	**SHORT-TERM BORROWINGS**		
	SECURED:		
	Working Capital Facility from a Bank (Refer Note 9.1)	-	772.43
	Total	**-**	**772.43**

9.1 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 has been assigned by the lender during the year (Refer Note 5.4)

(₹ in Lakhs)

		AS AT 31ST MARCH, 2017	AS AT 31ST MARCH, 2016
10	**TRADE PAYABLES:**		
	Total outstanding dues of micro enterprises and small enterprises (Refer Note 10.1)	**25.02**	24.62
	Total outstanding due of Creditors other than above	**2,147.52**	2,365.34
	Payable to related parties	**163.47**	83.87
	Total	**2,336.01**	**2,473.83**

10.1 Micro, Small and Medium Enterprises as defined under MSMED Act, 2006 have been identified by the Company on the basis of the information available. Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period are given below:

(₹ in Lakhs)

Particulars	AS AT 31ST MARCH, 2017	AS AT 31ST MARCH, 2016
Dues remaining unpaid at the year end:		
- Principal	**25.02**	24.62
- Interest	**19.28**	15.91
Interest paid in terms of Section 16 of the Act	**-**	-
Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year.	**3.60**	2.14
Amount of interest accrued and remaining unpaid at the year end	**19.28**	15.91
Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	**0.99**	0.95

(₹ in Lakhs)

		AS AT 31ST MARCH, 2017	AS AT 31ST MARCH, 2016
11	**OTHER CURRENT LIABILITIES:**		
	Current Maturities of Long-Term Debts:		
	Term Loans from Banks	**6,550.70**	9,686.14
	Term Loans under Structured Mezzanine Credit Facility from banks	**4,335.16**	5,560.77
	Term Loan from a Financial Institution	**327.00**	278.00
	Term Loans from Others	**1,320.00**	1,790.78
		12,532.86	17,315.69

Carried forward

KAMAT HOTELS (INDIA) LIMITED

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakhs)

		AS AT 31ST MARCH, 2017		AS AT 31ST MARCH, 2016
	Other Current Liabilities Contd...			
	Brought forward		**12,532.86**	17,315.69
	Creditors for Capital Expenditure		**-**	20.64
	Advance from Customers		**498.96**	244.00
	Income Received in Advance (Time Share)	**73.86**		73.86
	Income Received in Advance (Others)	**59.46**		74.04
			133.32	147.90
	Bank Balance Overdrawn		**-**	5.69
	Interest Accrued And Due	**4,306.71**		5,252.41
	Interest Accrued But Not Due	**107.60**		107.60
			4,414.31	5,360.01
	Unpaid / Unclaimed Dividends		**-**	2.10
	Other Payables (Refer Note 11.1)		**2,071.25**	1,990.35
	Total		**19,650.70**	**25,086.38**

11.1 Includes employees dues, statutory dues and security deposits.

(₹ in Lakhs)

		AS AT 31ST MARCH, 2017	AS AT 31ST MARCH, 2016
12	**SHORT-TERM PROVISIONS:**		
	Provision for Employee Benefits- Gratuity (Refer Note 26.1.2)	134.08	96.57
	Provision for Employee Benefits- Earned Leave (Refer Note 26.1.3)	71.93	57.41
	Total	**206.01**	**153.98**

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

13 FIXED ASSETS :

(₹ in Lakhs)

Description		GROSS BLOCK-COST / BOOK VALUE				DEPRECIATION / AMORTISATION				NET BLOCK	
		As at 1st April, 2016	Additions / adjustments during the year	Deductions / adjustments during the year	As at 31st March, 2017	As at 1st April, 2016	For the Year	Deductions / adjustments during the year	As at 31st March, 2017	As at 31st March, 2017	As at 31st March, 2016
I)	TANGIBLE										
	Land										
	a) Freehold (Note 13.3)	3,279.45	-	540.28	2,739.17	-	-	-	-	2,739.17	3,279.45
	b) Leasehold (Note 13.3)	31.28	540.28	-	571.56	0.06	9.83	-	9.89	561.66	31.22
	Sub-Total	3,310.73	540.28	540.28	3,310.73	0.06	9.83	-	9.89	3,300.83	3,310.67
	Buildings										
	a) Freehold (13.4)	9,338.34	2.81	259.40	9,081.76	3,173.31	150.15	-	3,323.46	5,758.30	6,165.03
	b) Improvements to Buildings under Long Term Contracts (Note 13.4)	26,491.29	274.29	-	26,765.59	6,350.41	733.04	-	7,083.46	19,682.13	20,140.88
	Sub-Total	35,829.63	277.10	259.40	35,847.35	9,523.72	883.19	-	10,406.92	25,440.43	26,305.91
	Plant and Equipment	5,684.81	73.34	64.93	5,693.23	3,918.17	315.36	52.14	4,181.39	1,511.84	1,766.63
	Furniture and Fixtures	1,933.30	24.47	2.63	1,955.14	1,925.89	24.19	2.47	1,947.61	7.53	7.41
	Vehicles	229.48	-	66.31	163.17	182.36	5.11	46.39	141.08	22.09	47.12
	Office Equipment & Computers	405.09	14.13	76.32	342.90	207.68	12.77	74.62	145.83	197.07	197.42
	Sub-Total	8,252.68	111.94	210.19	8,154.44	6,234.10	357.43	175.62	6,415.91	1,738.53	2,018.58
	Total	47,393.04	929.32	1,009.87	47,312.52	15,757.88	1,250.45	175.62	16,832.72	30,479.79	31,635.16
II)	INTANGIBLE										
	Computer Softwares	158.10	8.58	86.54	80.15	128.32	4.99	84.72	48.59	31.56	29.78
	Total	158.10	8.58	86.54	80.15	128.32	4.99	84.72	48.59	31.56	29.78
	Grand Total	47,551.14	937.90	1,096.41	47,392.67	15,886.20	1,255.44	260.34	16,881.31	30,511.35	31,664.94
	Previous Year Total	47,745.83	219.78	414.47	47,551.14	14,924.91	1,280.04	318.74	15,886.20	31,664.94	-
CAPITAL WORK-IN-PROGRESS											
	Capital Work-In-Progress	21.35	24.17	11.19	34.32	-	-	-	-	34.32	21.35
	Previous Year Total	-	21.35	-	21.35	-	-	-	-	21.35	

NOTES:

13.1 Buildings include (i) cost of residential flats of ₹ 1.96 lakhs (Previous year ₹ 1.96 lakhs) and (ii) Cost of residential flats of ₹ 32.53 lakhs (Previous Year ₹ 32.53 lakhs).

13.2 Capital work-in-progress includes expenses ; Building Under Construction ₹ 9.12 Lakhs (Previous Year ₹ 8.97 lakhs); Plant & Machinery ₹ .25.21 lakhs (Previous year ₹.Nil) Computer Software ₹ Nil (Previous Year ₹ 11.12 lakhs); Electrical Fittings and Fixture ₹ Nil (Previous Year ₹ 1.26 lakhs).

13.3 Freehold land at Bhubaneswar ₹ 540.28 lakhs (Previous year ₹ Nil) has been re-classified as leasehold land and being amortised over the lease period. Leasehold land at Goa ₹ 31.28 lakhs (Previous year ₹ 31.28 lakhs) is being amortised over the lease period.

13.4 Freehold Building at Bhubaneswar ₹ 259.40 lakhs (Previous year ₹ Nil) has been re-classified as leasehold building and being amortised over the lease period.

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakhs)

Number	Face value per unit			AS AT 31ST MARCH, 2017		AS AT 31ST MARCH, 2016
14	**NON-CURRENT INVESTMENTS**					
		A.	**Trade Investments In Joint Venture Companies**			
			Fully Paid Equity Shares (Unquoted)			
2,66,500	₹10		- Ilex Developers & Resorts Limited (Refer Note 14.1)	**533.00**		533.00
(2,66,500)						
			Less: Provision for Diminution in value	**533.00**		-
					-	533.00
		B.	**Trade Investments In wholly owned Subsidiary Companies**			
			Fully Paid Equity Shares (Unquoted)			
1,17,64,706	₹10		- Orchid Hotels Pune Private Limited (Refer Note 14.2 and 14.3)	**9,327.75**		9,327.75
(1,17,64,706)						
			Less: Provision for Diminution in value	**9,327.75**		9,327.75
					-	-
10,000	₹10		- Fort Jadhavgadh Hotels Private Limited		**1.00**	1.00
(10,000)						
10,000	₹10		- Green Dot Restaurants Private Limited		**1.00**	1.00
(10,000)						
10,000	₹10		- Mahodadhi Palace Private Limited		**1.00**	1.00
(10,000)						
10,000	₹10		- Kamats Restaurant (India) Private Limited		**1.00**	1.00
(10,000)						
					4.00	537.00
		C.	**Non Trade Investments**			
			Fully paid up equity shares (Quoted)			
50	₹10		- Royal Orchid Hotels Limited		**0.02**	0.02
(50)						
			Fully paid up equity shares (Unquoted)			
10,010	₹50		- The Satara Sahakari Bank Limited		**5.01**	5.01
(10,010)						
			Tax Saving Bonds (Unquoted)			
200	₹5,000		ICICI Tax Saving Bonds		**-**	10.00
(200)						
			Investments in Government Securities			
			6 Year NSC		**-**	0.05
			Total Non-Current Investments		**9.03**	**552.08**
			Aggregate amount quoted Investments			
			- Cost		**0.02**	0.02
			- Market Value		**0.04**	0.04
			Aggregate amount of unquoted Investments			
			- Cost		**9.01**	552.06

14.1 The Company has made a strategic and long term investment of ₹ 533.00 lakhs in the shares of Ilex Developers & Resorts Limited (ILEX), a 32.92% joint venture of the Company in earlier years. ILEX has been declared as non-performing asset by its lender due to defaults in paying the loan dues. ILEX is also facing other adverse factors which have severely affected its financial position. Considering the adverse financial position of ILEX, the Company has made a provision for ₹ 533.00 lakhs towards the dimunition in value of investment in ILEX during the year.

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

14.2 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 is recoverable from OHPPL. OHPPL has been declared as non-performing asset by its lender due to defaults in paying the loan dues. OHPPL is also facing other adverse factors which have severely affected its financial position. Considering these adverse factors, the Company has made a provision for ₹ 19,646.40 lakhs towards recovery of loan in earlier years. Since the loan is considered doubtful of recovery, interest on the outstanding loan is not recognized as income for the year. The Company has also made a provision for ₹ 9,327.75 lakhs towards the dimunition in value of investment in OHPPL during the previous year in view of adverse factors.

14.3 Out of 1,17,64,706 (Previous Year 1,17,64,706), 57,64,701 (Previous Year 57,64,701) shares have been pledged by the Company to lenders as a security for loans taken by the Company and 35,29,411 (Previous Year 35,29,411) shares have been pledged by the Company to lenders as a security for loan taken by the Subsidiary Company (Refer Note 5.1 and 5.3).

14.4 Figures in brackets are in respect of previous year.

(₹ in Lakhs)

		AS AT 31ST MARCH, 2017		AS AT 31ST MARCH, 2016
15	**LONG-TERM LOANS AND ADVANCES:**			
	(Unsecured, good, unless otherwise stated)			
	Capital Advances (include ₹ 188.65 Lakhs	**188.65**		188.65
	(Previous Year ₹ 188.65 Lakhs) considered doubtful)			
	Less: Provision for doubtful advances	**188.65**		188.65
			-	-
	Inter Corporate Deposit- Considered Doubtful	**200.00**		200.00
	Less: Provision for Doubtful Deposits	**200.00**		200.00
			-	-
	Loans and Advances to related parties:			
	Orchid Hotels Pune Private Limited (Subsidiary)	**19,646.40**		19,646.40
	(Maximum balance during the year ₹ 19,646.40 Lakhs (Previous Year ₹ 19,646.40 Lakhs)) (considered doubtful, (Previous year ₹ 19,646.40 Lakhs))			
	Less: Provision for Doubtful Loan (Refer Note 14.2)	**19,646.40**		19,646.40
			-	-
	Mahodhadhi Palace Private Limited (Subsidiary)	**698.74**		827.66
	(Maximum balance during the year ₹ 827.66 Lakhs (Previous Year ₹ 827.66 Lakhs)) (Considered doubtful this year, (Previous year good)			
	Less: Provision for Doubtful Loan (Refer Note 15.1)	**698.74**		-
			-	827.66
	Payment of Taxes (Less Provisions) (Refer Note 15.2)		**1,045.57**	894.34
	MAT Credit Entitlement		**167.17**	155.97
	Prepaid Expenses		**9.40**	1.37
	Total		**1,222.14**	**1,879.34**

15.1 The Company has given a loan of ₹ 827.66 lakhs to Mahodadhi Palace Private Limited (MPPL) for expansion of hotel in earlier years. MPPL is facing adverse factors which have severely affected its financial position and expansion plans. Considering these adverse factors, the Company has made a provision for ₹ 698.74 lakhs towards recovery of balance loan. Since the loan is considered doubtful of recovery, interest on the outstanding loan is not recognized as income for the period after 21st February, 2017 on consideration of prudence.

15.2 Payment of Taxes is net of provision for tax of ₹ 1,337.49 lakhs (Previous Year ₹ 1,244.49 lakhs) and further after adjusting ₹ 211.75 lakhs (Previous year ₹ 211.75 lakhs) for MAT credit availed during the earlier years.

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakhs)

			AS AT 31ST MARCH, 2017	AS AT 31ST MARCH, 2016
16	**OTHER NON-CURRENT ASSETS:**			
	(Unsecured, good, unless otherwise stated)			
	Security Deposits		**127.65**	127.08
	Long Term Deposits for Hotel and Other Properties (includes ₹ 488.62 Lakhs (Previous year ₹ 488.62 Lakhs) considered doubtful) (Refer note 16.1 and 16.2)	**8,512.62**		8,519.62
	Less: Provision for doubtful deposit	**488.62**		488.62
			8,024.00	8,031.00
	Total		**8,151.65**	**8,158.08**

16.1 The above deposits include ₹ 8,000.00 lakhs (Previous Year ₹ 8,000.00 lakhs) paid to Plaza Hotels Private Limited for hotel properties (a Company wherein some directors of the Company are directors).

16.2 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 fulfill 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 previous year for the deposit paid to the said party. In the meantime, the Company had initiated legal proceedings against the owners by filing Arbitration Application before the Bombay High Court for appointment of Arbitrator. The Bombay High Court vide order dated 22nd February, 2013 has referred the matter to a sole arbitrator. The Company filed its Statement of Claims before the arbitrator. The owners also filed their reply and also made a counter claim for compensation and interest thereon before the arbitrator besides claiming that the claim of the Company was barred by limitation of time. Subsequently, vide letter dated 12th September, 2013, the arbitrator resigned and the matter could not proceed further thereafter the Company has approached the High Court again for directions. Pursuant to the directions given by the High Court vide Order dated 4th February, 2016, sole Arbitrator has been appointed. In view of impending talks of settlement, the Company has filed a joint application alongwith the Trust requesting the arbitrator to terminate arbitration proceedings with liberty to approach the Tribunal as and when required. Adjustments, if any, to the expenditure written off and provision made as above, will be made on disposal / conclusion of the Arbitration Proceedings in the above matter.

(₹ in Lakhs)

		AS AT 31ST MARCH, 2017	AS AT 31ST MARCH, 2016
17	**CURRENT INVESTMENTS:**		
	Investments in Mutual Funds- Unquoted		
	SBI PSU FUND 50,000 (Previous Year 50,000) Units of ₹ 10/- each fully paid up	**5.00**	4.16
	(NAV - ₹ 6.17 Lakhs (Previous Year ₹ 4.16 Lakhs)		
	Tax Saving Bonds (Unquoted)		
	ICICI Tax Saving Bonds (Maturing On 16.11.2017)	**10.00**	-
	5,000 (Previous year 5,000) units of ₹ 200 each fully paid up		
	Total	**15.00**	**4.16**

(₹ in Lakhs)

		AS AT 31ST MARCH, 2017	AS AT 31ST MARCH, 2016
18	**INVENTORIES:**		
	(At Lower of weighted average cost and net realisable value)		
	Raw Materials and Others		
	- Food and Beverages	**157.14**	161.16
	- Stores and Operating Supplies	**294.46**	300.16
	Total	**451.60**	**461.32**

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakhs)

		AS AT 31ST MARCH, 2017	AS AT 31ST MARCH, 2016
19	**TRADE RECEIVABLES:**		
	(Unsecured, good, unless otherwise stated)		
	Unsecured:		
	- Over Six Months [₹ 1,224.98 Lakhs (Previous year ₹ 1,158.49 Lakhs) considered doubtful]	**1,230.72**	1,169.31
	- Other Debts	**772.33**	1,002.20
		2,003.05	2,171.51
	Less: Provision for Doubtful Debts	**1,224.98**	1,158.49
	Total	**778.07**	**1,013.02**
19.1	Included in above:		
	(a) due from Orchid Hotels Pune Private Limited (wholly owned Subsidiary) (Unsecured, good) (Since recovered ₹ 11.04 Lakhs)	**11.04**	87.19
	(b) due from Ilex Developers & Resorts Limited (Joint Venture Company) (Unsecured, good)	**-**	13.50
	(c) due from Treeo Resorts Private Limited (Group Company) (Unsecured, good)(Since recovered ₹ 1.00 Lakh)	**9.88**	13.44

(₹ in Lakhs)

		AS AT 31ST MARCH, 2017	AS AT 31ST MARCH, 2016
20	**CASH AND BANK BALANCES:**		
	Cash and Cash Equivalents:		
	- Balance with Banks	**223.60**	421.14
	- Cash on hand	**43.33**	20.98
	- Cheques on hand	**1.23**	11.71
	- Foreign Exchange in hand	**0.27**	0.34
	Sub-total	**268.43**	454.17
	Other Bank Balances:		
	- Margin Money in Fixed Deposits with Banks	**49.19**	44.59
	- Dividend Bank Account	**-**	2.10
	Sub-total	**49.19**	46.69
	Total	**317.62**	**500.86**

20.1 Disclosure on Specified Bank Notes (SBNs) :

The details of Specified Bank Notes (SBNs) held and transacted during the period from 8th November, 2016 to 30th December, 2016 are as under :

(₹ in Lakhs)

Particulars	SBNs	Other Notes	TOTAL
Closing cash in hand on 8th November, 2016	102.42	0.03	102.45
Add: Permitted receipts	-	161.60	161.60
Less: Permitted payments	-	25.86	25.86
Less: Amount deposited in banks	102.42	78.14	180.56
Closing cash in hand on 30th December, 2016	**-**	**57.63**	**57.63**

(₹ in Lakhs)

		AS AT 31ST MARCH, 2017	AS AT 31ST MARCH, 2016
21	**SHORT TERM LOANS AND ADVANCES:**		
	(Unsecured, good)		
	- Loans and Advances to Employees	**0.02**	1.08
	- Deposits including Balances with Government and other agencies	**29.02**	28.62
	- Deposits with Prothonotary & Senior Master, Bombay High Court (Refer Note 5.5 and 24.2)	**6,231.41**	3,050.24
	- Prepaid Expenses	**130.43**	139.80
	- Others (Refer Note 21.1)	**91.56**	357.57
	Total	**6,482.44**	**3,577.31**

21.1 Include advances to suppliers and for expenses.

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakhs)

		AS AT 31ST MARCH, 2017	AS AT 31ST MARCH, 2016
22	**OTHER CURRENT ASSETS:**		
	(Unsecured good)		
	- Interest Receivable on Loans & Advances (Refer Note 22.1)	**3.62**	175.25
	- Interest Receivable on Bank Deposits and Investments	**122.94**	102.30
	Total	**126.56**	**277.55**

22.1 This amount is due from Mahodhadhi Palace Private Limited (wholly owned (Subsidiary)

(₹ in Lakhs)

		FOR THE YEAR ENDED 31ST MARCH, 2017	FOR THE YEAR ENDED 31ST MARCH, 2016
23	**REVENUE FROM OPERATIONS:**		
	Revenue from Hotel Operations:		
	Rooms	**9,846.45**	8,763.15
	Food and Beverages	**4,372.48**	4,714.01
	Income from Time Share Business (Refer Note 23.1)	**325.17**	393.24
	Management and Consultancy Fees (Refer Note 23.2)	**325.94**	390.13
		14,870.04	**14,260.53**

(₹ in Lakhs)

	FOR THE YEAR ENDED 31ST MARCH, 2017	FOR THE YEAR ENDED 31ST MARCH, 2016
Other Operating Revenue:		
Swimming Pool and Health Club	**114.42**	97.59
Conference and Banqueting Services	**139.48**	154.82
Internet and Telephone	**13.22**	50.18
Laundry Services	**59.48**	61.22
Car Rental and Transportation	**92.61**	69.63
Membership- Sales Promotion Schemes	**114.91**	125.49
Licence Fees - Shops and Offices	**153.33**	168.77
Miscellaneous Services	**109.85**	97.45
Sub total 'B'	**797.30**	**825.15**
Total	**15,667.34**	**15,085.68**

23.1 The Company's business, inter-alia, is to sell Time Share and provide holiday facilities to members for a specified period each year, over a number of years, for which membership fees is collected either in full upfront, or on a deferred payment basis. Out of the total membership fee, relevant portion reasonably attributable towards cost required to market Time Share, which is assessed and revised periodically, is recognized as Time Share income in the year in which the purchaser of Time Share becomes a member and the balance representing 'Advance towards members' facilities is being recognized as Time Share income equally over a period for which holiday facilities are provided commencing from the year in which the member is entitled to benefits of membership under the scheme. Annual subscription fee dues from Times Share members is recognized as income.

23.2 Include ₹ Nil (Previous year ₹ 35.85 lakhs) relating to previous year.

23.3 Excise Duty of ₹ 0.56 lakhs (Previous year ₹ 1.13 lakhs) relating to Sale of Food & Beverage has been included in Other Expenses in Note 27, which was reduced from the income in the previous year.

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakhs)

		FOR THE YEAR ENDED		
		31ST MARCH, 2017		31ST MARCH, 2016
24	**OTHER INCOME:**			
	Interest Earned			
	Interest on Long Term Investments	**10.83**		9.56
	Interest from Banks on deposits	**8.22**		21.30
	Interest from subsidiary on loan (Refer Note 15.1)	**88.16**		99.59
	Interest from Others (Refer Note 24.2)	**270.19**		48.93
			377.40	179.38
	Gain on Foreign Exchange		**10.67**	10.81
	Dividend on Long Term Investments		**0.43**	0.53
	Liabilities and Provisions written back (Refer Note 24.1)		**240.50**	152.08
	Excess Provision for depreciation written back		**-**	146.01
	Provision for dimunition in value of Current Investment no longer required,written back		**0.84**	-
	Licence Fees-Other Properties		**56.24**	75.72
	Other Non Operating Income (Refer Note 24.3)		**99.39**	167.12
	Total		**785.47**	**731.65**

24.1 Liabilities and Provisions written back include ₹ Nil (Previous Year ₹ 44.82 lakhs) towards excess provisions for gratuity and leave encashment, no longer required, written back.

24.2 Includes ₹ 264.39 lakhs (Previous Year ₹ 32.56 lakhs) accrued on deposits made with Prothonotary & Senior Master, Bombay High Court (Refer Note 21)

24.3 Includes ₹ 2.54 lakhs (Previous Year ₹ 55.33 lakhs) insurance claim and ₹ 8.15 lakhs (Previous year ₹ 20.39 lakhs) being MVAT refund.

(₹ in Lakhs)

		FOR THE YEAR ENDED	
		31ST MARCH, 2017	31ST MARCH, 2016
25	**COST OF FOOD AND BEVERAGE CONSUMED:**		
	Opening Stock	**161.16**	158.27
	Add: Purchases (Refer Note 25.1)	**1,294.18**	1,367.97
		1,455.34	1,526.24
	Less: Closing Stock	**157.14**	161.16
	Total	**1,298.20**	**1,365.08**
25.1	Purchases are net of recoveries of ₹ 368.94 lakhs (Previous year ₹ 329.78 lakhs)		
25.2	Particulars of imported and indigenous food and beverages consumed:		
	Value - Imported	**159.04**	159.04
	- Indigenous	**1,139.16**	1,206.04
		1,298.20	**1,365.08**
	Percentage - Imported	**12.25%**	11.65%
	- Indigenous	**87.75%**	88.35%
		100.00%	**100.00%**

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakhs)

		FOR THE YEAR ENDED	
		31ST MARCH, 2017	31ST MARCH, 2016
26	**EMPLOYEE BENEFITS EXPENSE:**		
	Salaries and Wages	**2,976.71**	3,124.81
	Contribution to Provident and other Funds	**158.74**	165.60
	Provision for Gratuity (Refer Note 26.1.2)	**66.48**	18.55
	Provision for Leave Encashment (Refer Note 26.1.3)	**46.87**	15.90
	Staff Welfare Expenses	**277.62**	292.59
	Total	**3,526.42**	**3,617.45**

26.1 The disclosures required under Accounting Standard 15 "Employee Benefits" (AS 15) prescribed Under Section 133 of the Companies Act, 2013 , read with Rule 7 of the Companies (Accounts) Rules , 2014, are given below:

(₹ in Lakhs)

		FOR THE YEAR ENDED	
26.1.1	**Defined Contribution Plan:**	**31ST MARCH, 2017**	**31ST MARCH, 2016**
	Contribution to Defined Contribution Plan, recognised and charged off for the year are as under:		
	Contributions to Provident Fund	**151.56**	158.14
26.1.2	**Defined Benefit Plan:**		
	The employees' gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligations for leave encashment is recognised in the same manner as gratuity.		
	Gratuity (Funded)		
	a) Reconciliation of opening and closing balances of Defined Benefit obligation		
	Defined Benefit obligation at beginning of the year	**239.42**	255.09
	Current Service Cost	**40.20**	34.76
	Interest Cost	**17.33**	16.56
	Actuarial (gain) / loss	**17.27**	(30.94)
	Benefit Paid	**(56.96)**	(36.06)
	Defined Benefit obligation at year end	**257.26**	239.42
	b) **Reconciliation of opening and closing balance of fair value of plan assets**		
	Fair value of plan assets at beginning of the year	**142.85**	160.00
	Expenses Deducted from the fund	**-**	(0.84)
	Expected return on plan assets	**11.28**	8.97
	Employers Contribution	**28.97**	6.73
	Benefit Paid	**(56.96)**	(36.06)
	Actuarial (gain) / loss	**(2.96)**	4.05
	Fair value of plan assets at year end	**123.19**	142.85
	Actual return on plan assets	**11.28**	8.97
	c) **Reconciliation of fair value of assets and obligations**		
	Fair value of plan assets as at 31st March, 2017	**123.19**	142.85
	Present value of obligation as at 31st March, 2017	**257.26**	239.42
	Amount recognised in Balance Sheet	**134.07**	96.57

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakhs)

		FOR THE YEAR ENDED	
		31ST MARCH, 2017	31ST MARCH, 2016
Gratuity (Funded)			
d)	**Net Gratuity and other cost for the year**		
	Current Service Cost	**40.20**	34.76
	Interest Cost	**17.33**	16.56
	Expected return on plan assets	**(11.28)**	(8.97)
	Actuarial (gain)/ loss	**20.23**	(34.99)
	Net Cost	**66.48**	7.36
e)	**Investment Details**	**% invested**	% invested
	L I C Group Gratuity (Cash Accumulation) Policy	**100**	100
f)	**Actuarial assumptions**		
	Mortality Table (L.I.C)	**2006-08 (Ultimate)**	**2006-08 (Ultimate)**
	Discount rate (per annum)	**6.95%**	7.90%
	Expected rate of return on plan assets (per annum)	**6.95%**	7.90%
	Rate of escalation in salary (per annum)	**6.50%**	6.50%
	Employers Best estimate of expected contribution for next year	**134.07**	96.57

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The expected rate of return on plan asset is determined considering several applicable factors, mainly the composition of Plan assets held, assessed risk, historical results of return on plan assets and the Company's policy for plan assets management.

(₹ in Lakhs)

			FOR THE YEAR ENDED	
			31ST MARCH, 2017	31ST MARCH, 2016
26.1.3	**Leave encashment (Non Funded)**			
	a)	**Reconciliation of opening and closing balances of Defined Benefit obligation**		
		Defined Benefit obligation at beginning of the year	**199.32**	219.19
		Actuarial (gain) / loss	**46.87**	(19.88)
		Defined Benefit obligation at year end	**246.19**	199.32
	b)	**Reconciliation of fair value of assets and obligations**		
		Present value of obligation as at 31st March, 2017	**246.19**	199.32
		Amount Recognised in Balance Sheet	**246.19**	199.32
	c)	**Expenses recognised during the year**		
		Actuarial (gain)/ loss	**46.87**	(19.88)
		Net Cost	**46.87**	(19.88)
26.2	**Managerial Remuneration :**			
	Remuneration to Executive Chairman and Managing Director (ECMD) (Refer Note 26.3)		**96.00**	96.00
	Contribution to Provident Fund		**9.50**	9.50
	Perquisites		**0.10**	0.11
		Total	**105.60**	**105.61**

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

26.3 Managerial remuneration of ₹ 48.00 lakhs to Executive Chairman and Managing Director (ECMD) for the period from 1st April, 2016 to 30th September 2016 has been paid in accordance with the Central Government approval dated 10th January, 2014 and ₹ 48.00 lakhs for the period from 1st October, 2016 to 31st March 2017 has been paid in accordance with the approval of the Shareholders of the Company in terms of Special Resolution passed at the 29th Annual General Meeting held on 24th September, 2016. Though the Company has made an application for approval of remuneration to ECMD for the period from 01st October, 2016, (which is pending), the Company is advised that in view of availability of sufficient profits in this financial year within the meaning of section 197 / 198 of the Companies Act 2013, no such approval is required and the above remuneration is within the permissible limits of section 197 of the Act read with Schedule V to the Act

(₹ in Lakhs)

		FOR THE YEAR ENDED	
		31ST MARCH, 2017	**31ST MARCH, 2016**
27	**OTHER EXPENSES:**		
	OPERATING EXPENSES:		
	Heat , Light and Power	**1,343.91**	1,625.62
	Rent	**118.56**	122.41
	Licences, Rates and Taxes (Refer Note 27.1)	**413.17**	548.37
	Repairs to Buildings	**197.41**	288.71
	Repairs to Plant and Machinery	**292.18**	295.35
	Repairs to Others	**127.76**	146.51
	Expenses on Apartments and Boards	**561.69**	577.19
	Replacements of Crockery, Cutlery, Linen, etc.	**161.73**	110.26
	Washing and Laundry Expenses	**140.55**	138.89
	Water Charges	**141.71**	162.49
	Sub-Total	**3,498.67**	**4,015.80**
	GENERAL EXPENSES:		
	Advertisement, Publicity and Sales Promotion	**311.84**	306.76
	Travel Agents' Commission	**363.81**	310.85
	Discount to Collecting Agents	**97.37**	95.73
	Management/ Licence Fees and Royalty	**136.79**	145.17
	Band and Music Expenses	**67.95**	78.55
	Sub-Total	**977.76**	**937.06**
	ADMINISTRATIVE AND OTHER EXPENSES:		
	Communication Expenses	**96.29**	90.68
	Printing and Stationery	**75.33**	83.26
	Legal, Professional and Consultancy charges	**360.87**	393.48
	Directors' Sitting fees	**3.77**	2.00
	Travelling and Conveyance	**181.57**	195.75
	Insurance	**42.31**	38.10
	Bad Debts	**1.36**	32.83
	Provision for Doubtful debts and advances	**66.50**	155.26
	Auditors' Remuneration (Refer Note 27.2)	**11.00**	10.80
	Sales Tax/Vat /Luxury Tax etc. including assessment dues (Refer Note 23.3)	**81.82**	80.80
	Loss on Diminution in value of Current Investments	**-**	0.53
	Loss on Sale / Discard of Fixed Assets (Net)	**18.21**	47.33
	Miscellaneous Expenses (Refer Note 27.3)	**82.08**	77.79
	Sub-Total	**1,021.11**	**1,208.61**
	Total	**5,497.54**	**6,161.47**

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

27.1 The Municipal Corporation of Greater Mumbai (MCGM) has raised an additional demand for property tax of ₹ Nil (Previous Year ₹ 111.71 lakhs) for the year 2015-2016 in respect of Company's hotels and offices based on newly introduced capital value method w.e.f 01.04.2010. The Company has filed objections to the said valuation which are pending disposal by MCGM in respect of The Orchid, Mumbai, The Orchid Privi Wing Mumbai and VITS, Mumbai. In respect of Company's offices the Company has filed appeals before the appropriate Court, Mumbai which are pending. Pending such disposal, the Company has made provision for the same on the basis of invoices raised by MCGM and adjustment, if any, will be made on disposal of Company's objections and appeals.

(₹ in Lakhs)

		FOR THE YEAR ENDED	
		31ST MARCH, 2017	**31ST MARCH, 2016**
27.2	**Auditors' Remuneration**		
	- As Audit Fees	**9.00**	9.00
	- Taxation Matters	**0.20**	-
	- Other Services	**1.45**	1.45
	- Out of Pocket Expenses	**0.30**	0.30
	- Service Tax (net of Input tax credit availed)	**0.05**	0.05
	Total	**11.00**	**10.80**

27.3 Includes Prior Periods Expenses of ₹ 12.72 Lakhs (Previous year ₹ 11.82 Lakhs)

(₹ in Lakhs)

		FOR THE YEAR ENDED	
		31ST MARCH, 2017	**31ST MARCH, 2016**
28	**FINANCE COSTS:**		
	Interest Expense	**1,859.42**	3,007.48
	Other Borrowing Costs (Refer Note 28.2)	**788.12**	938.95
	Total	**2,647.54**	**3,946.43**

28.1 Reference is invited to note 38 relating to non provision of interest for the previous year due to disputes with certain lenders.

28.2 Other Borrowing Costs include settlement charges of ₹ 478.58 Lakhs (Prev. Year ₹ 624.18 Lakhs) on restructuring of certain loans during the year by way of assignment / settlement

(₹ in Lakhs)

		FOR THE YEAR ENDED	
		31ST MARCH, 2017	**31ST MARCH, 2016**
29	**EXCEPTIONAL ITEMS:**		
	INCOME:		
	Excess Provision for Finance Cost Written Back	**2,576.38**	745.83
	Reduction in liability towards long term and short term borrowings	**485.38**	-
	Profit /(Loss) on Sale / Discard / Disposal of Fixed Assets (Net)	**-**	489.62
	Provision for doubtful interest receivable from Subsidiary Written Back	**-**	4,198.16
		3,061.76	**5,433.61**
	EXPENSES:		
	Provision for Diminution in Investment in Subsidiary (Refer Note 14.2)	**-**	9,327.75
	Provision for Diminution in Investment in Joint Venture (Refer Note 14.1)	**533.00**	-
	Bad Debts - interest receivable from Subsidiary written off	**-**	4,198.16
	Provision for Doubtful Loans/ (MPPL) (Refer Note 15.1)	**698.74**	-
		1,231.74	**13,525.91**
	Total	**(1,830.02)**	**8,092.30**

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

30 Contingent Liabilities and Commitments.

(₹ in Lakhs)

		AS AT 31ST MARCH, 2017	AS AT 31ST MARCH, 2016
I	**Contingent liabilities:**		
A	**Claims Against Company / Disputed liabilities not acknowledged as debts.**		
i)	Disputed Income Tax Demands	**809.97**	400.69
ii)	Disputed Indirect Tax Demands	**593.40**	285.13
iii)	Open import Licence	**43.96**	41.53
iv)	Claims against the Company not acknowledged as debt.	**100.99**	584.83
v)	Other Matters disputed	**86.02**	103.93
	The Company is hopeful that on disposal of litigations as referred to in item (i) to (v)above, the disputed demands will not survive. In the event any of the said litigation is held against the company, it will be liable to pay the demand raised alongwith applicable interest thereon, which is presently unascertainable.		
B	**Guarantees:**		
i)	Corporate guarantee given to a bank given in respect of credit facilities availed by Subsidiary Company.	**20,434.00**	20,434.00
ii)	Counter Guarantees issued by the Company to secure Bank Guarantees obtained by the Company	**38.12**	38.12
iii)	Corporate guarantee given to a bank given in respect of credit facilities availed by Joint Venture Company	**1,000.00**	Nil
C	**Other Money for which the Company is contingently liable.**		
i)	Default in respect of assigned loans	**11,761.43**	Nil
ii)	Cases filed by certain lenders under The Negotiable Instrument Act, 1881	**1,000.00**	Nil
D	Refer Note 16.2 in respect of dispute regarding Bandra-Kurla Project		
II	**Commitments.**		
A	Estimated amount of capital commitments to be executed on capital accounts and not provided for (net of advances)	**5.63**	4.49
B	**Other Commitments**		
i)	Undertaking given by the Company in favour of a lender to repay the loan to the extent of 50% of sale proceeds of the Assets sold.	**1,236.82**	1,236.82
ii)	Commitment to the V Privilege Scheme members for providing Hospitality services during the year 2015-16 as per membership sale value	**91.46**	95.47

iii) The Company has put up an STP Unit 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 user of property as explained in the Explanatory Statement under section 393 of the Companies Act ,1956 to the notice convening the meeting of the shareholders of the Company on 22nd October 2005 pursuant to Bombay High Court Order dated 2nd September 2005 and as approved by the Board of Directors of the Company in the meeting held on 26th July 2008. The modalities are being worked out.

iv) Certain ex-employees of the Company have demanded re-instatement of their service along with arrears of wages, which is contested by the Company and the amount is indeterminate.

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

31 Earnings Per Share

Basic and Diluted

Particulars	YEAR ENDED	
	31ST MARCH, 2017	**31ST MARCH, 2016**
Net Profit / (Loss) after tax as per Statement of Profit and Loss (₹ in lakhs)	**4,057.68**	(8,528.27)
No. of Shares issued	**2,35,84,058**	2,35,84,058
Nominal Value of Share (₹)	**10**	10
Weighted average no. of Shares – Basic	**2,35,84,058**	2,35,84,058
Weighted average no. of Shares – Diluted	**2,35,84,058**	2,35,84,058
Basic E.P.S. (₹) :	**17.21**	(36.16)
Diluted E.P.S. (₹):	**17.21**	(36.16)

32 Segment Reporting

The Company's activities involve predominantly providing hospitality related services, which is considered to be a single business segment since these are subject to similar risks and returns. Further, services are not provided out of India and hence there are no reportable geographical segments. Accordingly, the financial statements are reflective of the information required by Accounting Standard 17 - Segment Reporting (AS-17).

33 Related Party Disclosures:

Related Parties where control exists:

(a) **Wholly owned subsidiary companies:**

Orchid Hotels Pune Private Limited
Fort Jadhav Gadh Hotels Private Limited
Mahodadhi Palace Private Limited
Kamats Restaurant (India) Private Limited
Green Dot Restaurants Private Limited

(b) **Jointly Controlled Entity:**

Ilex Developers & Resorts Limited (Joint Venture)

(c) **Companies in which some directors of the Company are directors/members:**

Plaza Hotels Private Limited
Kamats Holiday Resorts (Silvassa) Limited
Kamats Amusements Private Limited
Talent Hotels Private Limited
Nagpur Ecohotel Private Limited
VITS Hotels (Bhubaneswar) Private Limited
Treeo Resort Private Limited

(d) **Key Management Personnel and their relatives:**

Dr. Vithal V. Kamat	-	Executive Chairman & Managing Director
Mr. Vishal V. Kamat	-	Chief Executive Officer of Fort Jadhavgadh, Pune and a relative
Mrs. Vidya V. Kamat	-	Relative
Mr. Vikram V. Kamat	-	Relative
Ms. Vidita Kamat	-	Relative

(e) Other Related parties where key managerial personnel are able to exercise significant influence and with whom transactions have been taken place during the year :

None

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(f) Summary of transactions during the year with Related Parties entered into on commercial basis in the interest of the Company and approved by the Board and status of outstanding balances as on 31st March, 2017:

(₹ in Lakhs)

Sr. No.	Nature of transactions	Subsidiary Company	Joint Venture & specified companies	Key Management Personnel & relatives *	Other related parties
1	Sale by rendering services including Management & Consultancy Fees	143.15 (180.83)	9.35 (7.74)	Nil (Nil)	Nil (Nil)
2	Sale of old used Fixed Assets and miscellaneous items of circulating stock and stores	Nil (Nil)	2.44 (13.44)	Nil (Nil)	Nil (Nil)
3	Consultancy Fees / Fees paid towards hotel property under Business Contract Agreement / Rent paid for Restaurant Premises	36.88 (37.68)	93.63 (98.25)	Nil (Nil)	Nil (Nil)
4	Interest earned on Loans & Advances given (Refer Note 14.1)	88.16 (99.59)	Nil (Nil)	Nil (Nil)	Nil (Nil)
5	Purchase of goods & services	Nil (Nil)	Nil (Nil)	5.87 (12.51)	Nil (Nil)
6	Remuneration to Key Management Personnel	Nil (Nil)	Nil (Nil)	138.66 (134.63)	Nil (Nil)
7	Loans and Advances Recovered during the year	205.07 (62.49)	Nil (Nil)	Nil (Nil)	Nil (Nil)
8	Deposits Recovered during the year	Nil (Nil)	Nil (2.25)	Nil (Nil)	Nil Nil
9	Interest Recovered during the Year	259.79 (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
10	Provision made in respect of loan given which is considered doubtful	698.74 (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
11	Provision for diminution in value of Investment	Nil (Nil)	533.00 (Nil)	Nil (Nil)	Nil (Nil)
12	**Balance outstanding at the year end:**				
(a)	Investments in Shares	9,331.75 (9,331.75)	533.00 (533.00)	Nil (Nil)	Nil (Nil)
(b)	Loan to Subsidiary (Refer Note 15)	20,345.14 (20,474.06)	Nil (Nil)	Nil (Nil)	Nil (Nil)
(c)	Accounts receivable (Refer Note 19 and 22)	14.66 (262.45)	9.88 (26.94)	Nil (Nil)	Nil (Nil)
(d)	Deposit paid includes Under Business Contract Agreements (Refer Note 16)	Nil (Nil)	8,000.00 (8,000.00)	Nil (Nil)	Nil Nil
(e)	Long Term Trade Deposit received towards Business Contract Agreement.(Refer Note 7)	Nil (Nil)	80.00 (80.00)	Nil (Nil)	Nil (Nil)
(f)	Amounts Payable (Note 10 and 11)	20.27 (17.27)	132.73 (50.82)	12.26 (15.78)	Nil (Nil)

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakhs)

Sr. No.	Nature of transactions	Subsidiary Company	Joint Venture & specified companies	Key Management Personnel & relatives *	Other related parties
(g)	Undertaking given by the Associate companies in favour of a lender towards repayment of loan from 50% of Sale Proceeds of their immovable properties.	Nil	4,213.18	Nil	Nil
		(Nil)	(4,213.18)	(Nil)	(Nil)
(h)	Corporate Guarantee issued by the Company in favour of banks on behalf of Subsidiary / Joint Venture Companies	20,434.00	1,000.00	Nil	Nil
		(20,434.00)	(1,000.00)	(Nil)	(Nil)
(i)	Corporate Guarantee / Personal Guarantee provided to the lenders (to the extent of loan outstanding at the year end)	Nil	32,181.78	60,416.83	Nil
		(Nil)	(35,842.61)	(66,545.47)	(Nil)
(j)	Corporate Guarantee / Personal Guarantee provided CDR obligations (to the extent of loan outstanding)	60,940.04	36,196.16	36,196.16	Nil
		(63,338.00)	(37,634.99)	(37,634.99)	(Nil)
(k)	Company has Mortgaged its Land and proposed additions to the Hotel Building at Bhubaneswar in favour of a Bank on behalf of an Associate Company.	Nil	799.68	Nil	Nil
		(Nil)	(799.68)	(Nil)	(Nil)

*Relatives of Key Management Personnel: Mrs. Vidya V. Kamat (wife of Dr. Vithal V. Kamat and mother of Mr. Vikram V. Kamat), Mr. Vishal V Kamat (Son of Dr. Vithal V. Kamat and brother of Mr. Vikram V. Kamat) and Ms. Vidita Kamat (daughter of Dr. Vithal V. Kamat)

** Figures in brackets are for previous year.

(l) **Statement of Material Transactions and other disclosures:**

(₹ in Lakhs)

Name of Related Party	YEAR ENDED 31ST MARCH, 2017	YEAR ENDED 31ST MARCH, 2016
Subsidiaries		
Orchid Hotels Pune Private Limited		
- Sale of Goods and Services	**143.15**	180.83
- Amounts Recovered during the year	**76.15**	62.49
- Investment balance at year end (Provision made for dimunition in the value ₹ 9,327.75 lakhs (Previous year ₹ 9,327.75 lakhs))	**9,327.75**	9,327.75
- Loan given balance at year end (₹ 19,646.40 lakhs considered doubtful (Previous year ₹ 19,646.40 lakhs)) (Maximum Balance ₹ 19,646.40 lakhs)	**19,646.40**	19,646.40
- Amounts recoverable at year end	**11.04**	87.19
- Corporate Guarantees issued to a Bank on behalf of the Subsidiary Company	**20,434.00**	20,434.00
- Corporate Guarantee issued to Banks/Lenders on behalf a holding company as per CDR obligations.	**24,743.87**	26,258.88

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakhs)

Name of Related Party	YEAR ENDED	
	31ST MARCH, 2017	31ST MARCH, 2016
Mahodadhi Palace Private Limited.		
- Fees paid towards hotel property under Business Contract Agreement	**36.88**	37.68
- Interest earned on Loans and advances given	**88.16**	99.59
- Interest Recovered during the year.	**259.79**	Nil
- Loans and Advances recovered during the year	**128.92**	Nil
- Loan given balance at year end (Maximum Balance ₹ 827.66 lakhs) (₹ 698.74 lakhs considered doubtful (Previous year ₹ Nil)	**698.74**	827.66
- Amount recoverable towards Interest on Loan.	**3.62**	175.25
- Amounts payable against Royalty	**20.27**	17.27
- Joint Corporate Guarantee issued to Banks/Lenders on behalf a holding company as per CDR obligations with other Associate Companies	**36,196.16**	37,634.99
Jointly Controlled Entity		
Ilex Developers & Resorts Limited		
- Sale of Goods and Services	**9.35**	7.74
- Investment balance at year end (100% provision made for dimunition in value) (Previous year ₹ Nil)	**533.00**	533.00
- Security Deposit taken, balance at year end	**80.00**	80.00
- Amounts recoverable at year end (Net)	**Nil**	8.68
- Amounts Payable	**1.80**	Nil
- Corporate Guarantee issued to a Bank on behalf of Jointly Controlled Entity	**1,000.00**	1,000.00
- Equitable Mortgage of immovable property in favour of Bank on behalf of Jointly Controlled Entity	**799.68**	799.68
- Joint Corporate Guarantee issued to Banks/Lenders on behalf a holding company as per CDR obligations with other Associate Companies	**36,196.16**	37,634.99
Specified Companies:		
Plaza Hotels Private Limited		
- Fees paid towards hotel property under Business Contract Agreement	**93.63**	89.39
- Deposit paid Under Business Contract Agreements for hotels	**8,000.00**	8,000.00
- Amounts Payable	**130.94**	45.99
- Corporate Guarantee provided by the above for securing loans taken by the Company	**32,181.78**	35,842.61
- Undertaking given towards repayment of Loan	**1,837.92**	1,837.92
- Joint Corporate Guarantee issued to Banks/Lenders on behalf a holding company as per CDR obligations with other Associate Companies	**36,196.16**	37,634.99
Kamats Holiday Resorts (Silvassa) Limited		
- Corporate Guarantee provided by the above for securing loans taken by the Company	**Nil**	6,239.00
- Joint Corporate Guarantee issued to Banks/Lenders on behalf a holding company as per CDR obligations with other Associate Companies	**36,196.16**	37,634.99
Talent Hotels Private Limited		
- Undertaking given towards repayment of Loan	**2,375.26**	2,375.26
Treeo Resort Private Limited		
- Sale of old used Fixed Assets and miscellaneous items of circulating stock and stores	**2.44**	13.44
- Rent paid for Restaurant Premises	**Nil**	8.86
- Security Deposit Recovered during the year	**Nil**	2.25
- Amounts Receivable	**9.88**	13.44

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakhs)

Name of Related Party	YEAR ENDED	
	31ST MARCH, 2017	31ST MARCH, 2016
Fort Jadhav Gadh Hotels Private Limited		
- Joint Corporate Guarantee issued to Banks/Lenders on behalf a holding company as per CDR obligations with other Associate Companies	**36,196.16**	37,634.99
Kamats Restaurant (India) Private Limited		
- Joint Corporate Guarantee issued to Banks/Lenders on behalf a holding company as per CDR obligations with other Associate Companies	**36,196.16**	37,634.99
Key Management Personnel and relatives:		
Dr. Vithal V. Kamat		
- Remuneration (Refer Note. 26.3)	**105.60**	105.62
- Royalty paid for brand	**5.87**	12.51
- Personal Guarantee provided by him for securing loans taken by the Company	**46,299.31**	51,194.04
- Joint Personal Guarantee issued to Banks/Lenders on behalf Company as per CDR obligations with Executive Director	**36,196.16**	37,634.99
Mr.Vishal V. Kamat		
- Remuneration	**29.01**	29.01
- Personal Guarantee provided by him for securing loan taken by the Company	**4,014.38**	4,292.38
Mr.Vikram V. Kamat		
- Personal Guarantee provided by him for securing loan taken by the Company	**10,103.14**	11,059.05
- Joint Personal Guarantee issued to Banks/Lenders on behalf Company as per CDR obligations	**36,196.16**	37,634.99
Ms.Vidita Kamat		
- Consultancy Fees	**4.05**	Nil

34 Leases

The Company's significant leasing arrangements are in respect of operating leases for premises. These leasing arrangements, which are not non-cancelable, range between eleven months and Nine years generally or longer and are usually renewable by mutual consent on mutually agreeable terms.

The aggregate lease rentals payable are charged as rent and aggregate licence fees income from shops and other spaces on leave and licence basis are shown as Licence Fees.

Future commitments in respect of minimum lease payments payable for non-cancelable operating leases (other than land) entered into by the Company:

(₹ in Lakhs)

Particulars	YEAR ENDED	
	31ST MARCH, 2017	31ST MARCH, 2016
Payable within one year -	**45.97**	48.08
Payable later than one year but not later than five years -	**113.33**	162.09
Payable after five years -	**283.54**	306.44

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

The Company also has given shops and other spaces on Leave and Licence basis in respect of which future minimum licence fees receipts expected:

(₹ in Lakhs)

Particulars	YEAR ENDED	
	31ST MARCH, 2017	**31ST MARCH, 2016**
Receivable within one year -	**186.77**	184.10
Receivable later than one year but not later than five years -	**195.11**	143.53

34.1 The Company has given a portion of its hotel buildings at the Orchid, Mumbai and VITS, Mumbai to party to conduct, operate and manage the banquet halls and restaurant under lease agreements in the previous year. The Company is entitled to a fixed fee of seven percent of the annual turnover of the banquet halls and restaurant. The Company has received the fee of ₹ 120.74 lakhs (Previous Year ₹ 133.97 lakhs) for the year which is included in Note 23.

35 Joint Venture

In compliance with Accounting Standard 27 – 'Financial Reporting of Interests in Joint Ventures' – (AS 27), notified by the Companies (Accounting Standards) Rules, 2006, the Company has interest in the following jointly controlled entities:

(₹ in Lakhs)

Name of the Company	Country of Incorporation	Holding (%)	Amount of Interest based on the audited results for the year ended 31st March 2017			
(Refer Note 35.1)			Assets	Liabilities	Income	Expenditure
Ilex Developers & Resorts Limited	India	32.92	960.29	836.85	269.47	380.72
		(32.92)	(986.79)	(752.10)	(224.78)	(307.47)

35.1 The Company has received Long Term trade Deposit of ₹ 80.00 lakhs (Previous Year ₹ 80.00 lakhs) from the above Company as a security for the hotel property given for development and expansion for a period of twenty years.

35.2 Figures in the bracket are for previous year.

36 Additional Information

a Value of Imports

(₹ in Lakhs)

Particulars	YEAR ENDED	
	31ST MARCH, 2017	**31ST MARCH, 2016**
Provisions , Wines etc.	**28.85**	159.04
Stores and Spares	**Nil**	Nil
Capital Goods	**40.47**	47.15

b Expenditure in Foreign Currency (on accrual basis)

(₹ in Lakhs)

Particulars	YEAR ENDED	
	31ST MARCH, 2017	**31ST MARCH, 2016**
Commission to Travel Agents, Membership and Subscription, Internet / Website Charges, Bank Charges etc.	**200.61**	195.42

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

c Dividend to Non-resident Shareholders:

The Company has not made any remittance in Foreign Currencies on account of dividends during the year under report and does not have information as to the extent to which remittance in foreign currencies on account of dividends have been made by or on behalf of non-resident shareholders. The particulars of non-resident shareholders are as follows:

(₹ in Lakhs)

Particulars	YEAR ENDED	
	31ST MARCH, 2017	**31ST MARCH, 2016**
(a) Number of non-resident shareholders	**294**	288
(b) Number of Equity Shares held	**68,33,946**	77,37,273
(c) Amount of Dividend remittable and paid	**Nil**	Nil
(d) Year to which dividend relates	**NA**	NA
d Earnings in Foreign Exchange		
For Hotel Services rendered (As certified by the Management)	**1,949.08**	1,507.74

37 The Company has borrowed funds in earlier years from banks, financial institutions and NBFCs. Due to financial crisis faced by economic slow down and other factors, a Corporate Debt Restructuring (CDR) package was sanctioned to it but the obligations agreed therein could not be fulfilled by the Company. Due to failure of the CDR mechanism in earlier year, the lenders issued notices Under Section 13(2) of the (The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002) and recalled the entire loan dues. The Company has disputed the same. One of the lenders (original lender) filed suit for recovery of the entire dues wherein another lender intervened, which is presently pending before the Bombay High Court and the Company has disputed the claim. In the meantime, the original lender assigned its loan to an asset management company during the year. In terms of interim orders passed by the High Court, the Company has been depositing proceeds of its credit card collections with the Prothonotary & Senior Master of the High Court which aggregated to ₹ 6,231.41 lakhs (Previous year ₹ 3.050.24 Lakhs) till 31st March, 2017. Final adjustment will be made on disposal of the legal case. Reference is invited to Notes 6.5 and 30 regarding disputed interest and charges aggregating to ₹ Nil (Previous year ₹ 704.25 lakhs), which have not been provided in the accounts.

38 The Company has incurred losses in the previous year as well as in earlier years and its accumulated losses as at 31st March, 2017 are in excess of its paid up Capital and Reserves and Surplus. As explained in Note 37, some of the lenders have recalled their loans. However, the Company has earned profits during the year and considering the future business prospects, the fact that majority of lenders have assigned their loans to asset reconstruction companies and have approved One Time Settlements (OTS) through which, major part of the loans has been re-structured and that the fair values of the assets of the Company are far more than the liabilities, the financial statements have been prepared on a going concern basis.

39 Figures of the previous year have been regrouped /reclassified wherever necessary to conform to the Current year's presentation.

As per our report of even date

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

J. G. Verma
Partner
Membership No. 5005

Mumbai : 26th May, 2017

For and on behalf of Board of Directors

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

S.S.Thakur
Director
(DIN : 00001466)

Bipinchandra C. Kamdar
Director
(DIN : 01972386)

Amit Vyas
Company Secretary

Smita Nanda
Chief Financial Officer

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KAMAT HOTELS (INDIA) LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **KAMAT HOTELS (INDIA) LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries, viz. (i) Orchid Hotels Pune Private Limited; (ii) Fort Jadhavgadh Hotels Private Limited; (iii) Mahodadhi Palace Private Limited (previously known as Mahodadhi Palace Private Limited); (iv) Kamats Restaurants (India) Private Limited; and (v) Green Dot Restaurants Private Limited (the Holding Company and its subsidiaries together referred to as "the Group") and its jointly controlled entity viz. Ilex Developers and Resorts Limited, comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, 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 Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Companies included in the Group and its jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its jointly controlled entity 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the 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 there under.

We conducted our audit 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 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 financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated 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 financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries and jointly controlled entity, the aforesaid consolidated 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, of the consolidated state of affairs of the Group and its jointly controlled entity as at 31st March, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

Attention is invited to:

1. Note 25.3 to the financial statements with regard to payment of managerial remuneration to Executive Chairman and Managing Director for the period from 1st October, 2016 to 31st March, 2017 of ₹ 48.00 lakhs in accordance the special resolution passed by the shareholders of the Company in the annual general meeting held on 24th September, 2016 for which an application has been made to the Central Government for approval, which is pending.

2. Note 34 to the financial statement with regard to default in repayment of part of the secured loans dues and failure of CDR mechanism in earlier year and its impact.

Our opinion is not qualified in respect of these matters.

Other Matters

We did not audit the financial statements of the subsidiaries and the jointly controlled entity, whose financial statements reflect total assets (after eliminating intra-group transactions) of ₹ 13,216.63 lakhs at 31st March, 2017, total revenues (after eliminating intra-group transactions) of ₹ 3,089.64 lakhs and net cash outflows amounting to ₹ 2.92 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entity, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and jointly controlled entity, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Act, we report, to the extent applicable, that:

(i) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit of the above consolidated financial statements.

(ii) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(iii) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, 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 financial statements.

(iv) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendement Rules, 2016.

(v) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and jointly controlled entity, none of the directors of the Group and its jointly controlled entity are disqualified as on 31st March, 2017 from being appointed as a director in terms of Sub-Section (2) of Section 164 of the Act.

(vi) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the jointly controlled entity and the operating effectiveness of such controls, refer to our separate report in "Annexure":

(vii) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(a) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its jointly controlled entity in accordance with the generally accepted accounting practices– Refer Note No. 29 and 34 to the consolidated financial statements.

(b) The Group and its jointly controlled entity did not have any material foreseeable losses on long-term contracts including derivative contracts.

(c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary companies and jointly controlled entity.

(d) The Group has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and produced to us by the Management - Refer Note 19.1 to the financial statements.

For J.G.VERMA & CO.
Chartered Accountants
(Registration No.111381W)

J.G.VERMA
Partner
Membership No. 5005

Mumbai: 26th May, 2017

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

The Annexure referred to in paragraph 1 (vii) under 'Report on Other Legal and Regulatory Requirements' in our report of even date to the members of **KAMAT HOTELS (INDIA) LIMITED** for the year ended 31st March, 2017. We report that:

Report on the Internal Financial Controls over Financial Reporting 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 financial statements of Kamat Hotels (India) Limited ("the Holding Company") as of and for the year ended 31st March, 2017, we have audited the internal financial controls over financial reporting of the Holding Company and its subsidiary companies and jointly controlled entity, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies and jointly controlled entity , which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Holding Company, its subsidiary companies and jointly controlled entity, which are companies incorporated in India, 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. 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 Holding Company's, its subsidiary company's and jointly controlled entity's, which are companies incorporated in India, 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 issued by the Institute of Chartered Accountants of India. 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 judgement, 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 we have obtained and audit evidence obtained by other auditor in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's, its subsidiary companies and jointly controlled entity's, which are companies incorporated in India, internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A 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 expenditure of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 Holding Company, its subsidiary companies and the jointly controlled entity, which are companies incorporated in India, have maintained, 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, 2017, based on the internal control over financial reporting criteria established by the Holding Company, its subsidiary companies and the jointly controlled entity, 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.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Companies Act, 2013 on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to the subsidiaries and the jointly controlled entity, which are companies incorporated in India, is based on the corresponding reports of the auditors of these companies.

For J.G.VERMA & CO.
Chartered Accountants
(Registration No. 111381W)

J.G.VERMA
Partner
Membership No. 5005

Mumbai: 26th May, 2017

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

(₹ in Lakhs)

PARTICULARS	NOTE	AS AT 31ST MARCH, 2017		AS AT 31ST MARCH, 2016
EQUITY AND LIABILITIES:				
Shareholders' Funds:				
(a) Share Capital	2	**2,417.26**		2,417.26
(b) Reserves and Surplus	3	**3,689.29**		(763.59)
			6,106.55	1,653.67
Non-Current Liabilities:				
(a) Long-Term Borrowings	4	**33,574.77**		30,127.93
(b) Deferred Tax Liabilities (Net)	5	**1,708.46**		1,757.39
(c) Other Long-Term Liabilities	6	**1,577.78**		1,777.65
(d) Long-Term Provisions	7	**260.51**		189.83
			37,121.52	33,852.80
Current Liabilities:				
(a) Short-Term Borrowings	8	**-**		772.43
(b) Trade Payables	9	**2,618.50**		3,656.70
(c) Other Current Liabilities	10	**39,664.56**		45,448.90
(d) Short-Term Provisions	11	**213.49**		158.72
			42,496.55	50,036.75
TOTAL			**85,724.62**	**85,543.22**
ASSETS:				
Non-Current Assets:				
(a) **Fixed Assets:**				
(i) Tangible Assets	12	**63,024.27**		65,209.69
(ii) Intangible Assets	12	**34.99**		33.63
(iii) Capital Work-In-Progress	12	**54.07**		40.19
(iv) Goodwill on Consolidation		**3,218.50**		3,218.50
		66,331.83		68,502.01
(b) Non-Current Investments	13	**5.13**		15.18
(c) Long-Term Loans and Advances	14	**1,294.25**		1,152.79
(d) Other Non-Current Assets	15	**8,204.97**		8,230.69
			75,836.18	77,900.67
Current Assets:				
(a) Current Investments	16	**15.00**		4.16
(b) Inventories	17	**531.63**		568.95
(c) Trade Receivables	18	**874.24**		1,095.34
(d) Cash and Bank Balances	19	**961.01**		1,352.73
(e) Short-Term Loans and Advances	20	**7,378.32**		4,488.73
(f) Other Current Assets	21	**128.24**		132.64
			9,888.44	7,642.55
TOTAL			**85,724.62**	**85,543.22**
SIGNIFICANT ACCOUNTING POLICIES	1			
THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS	1 to 39			

As per our report of even date

For and on behalf of Board of Directors

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

J. G. Verma
Partner
Membership No. 5005

Mumbai : 26th May, 2017

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

Bipinchandra C. Kamdar
Director
(DIN : 01972386)

Amit Vyas
Company Secretary

S.S.Thakur
Director
(DIN : 00001466)

Smita Nanda
Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakhs)

	NOTE	YEAR ENDED 31ST MARCH, 2017		YEAR ENDED 31ST MARCH, 2016
INCOME:				
Revenue from Operations	22		**18,545.29**	18,344.41
Other Income	23		**997.15**	736.79
Total Revenue			**19,542.44**	**19,081.20**
EXPENSES:				
Cost of Food and Beverages Consumed	24		**1,678.08**	1,865.91
Employee Benefits Expense	25		**4,276.65**	4,383.52
Other Expenses	26		**7,086.25**	8,149.38
Finance Costs	27		**2,829.87**	4,067.18
Depreciation and Amortisation Expense	12		**2,329.40**	2,527.10
Total Expenses			**18,200.25**	**20,993.09**
Profit/ (Loss) Before Exceptional Items and Tax			**1,342.19**	**(1,911.89)**
Exceptional Items	28		**3,061.77**	1,235.45
Profit/ (Loss) Before Tax			**4,403.96**	**(676.44)**
Tax Expense:				
Current Tax		**11.22**		-
Prior Period Adjustments - Income Tax		**-**		(117.17)
Deferred Tax	5	**(48.92)**		3,382.66
		(37.70)		3,265.49
Less: MAT Credit Entitlement		**(11.22)**		-
			(48.92)	3,265.49
Profit/(Loss) for the year			**4,452.88**	**(3,941.93)**
Earning Per Equity Share of face value of Rs. 10/- each				
Basic (In ₹)			**18.88**	(16.71)
Diluted (In ₹)			**18.88**	(16.71)
SIGNIFICANT ACCOUNTING POLICIES	1			
THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS	1 to 39		.	

As per our report of even date

For and on behalf of Board of Directors

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

J. G. Verma
Partner
Membership No. 5005

Mumbai : 26th May, 2017

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

Bipinchandra C. Kamdar
Director
(DIN : 01972386)

Amit Vyas
Company Secretary

S.S.Thakur
Director
(DIN : 00001466)

Smita Nanda
Chief Financial Officer

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakhs)

	PARTICULARS	YEAR ENDED	
		31ST MARCH, 2017	**31ST MARCH, 2016**
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Profit / (Loss) for the year before tax and adjustments	4,403.96	(676.44)
	Adjustments for:		
	Depreciation	2,329.40	2,527.10
	Amortisation of Advance Time Share Membership	(73.86)	(73.86)
	Amortisation of Preliminary and Share Issue Expenses	0.06	0.07
	Excess Provision of Interest of earlier years written back	(2,576.38)	(745.83)
	Excess Provision of Depreciation of earlier years written back	0.10	(146.01)
	(Profit) / Loss on Sale/ Discard of Fixed Assets / Operating Supplies	18.21	(442.30)
	Loss on Diminution of Investments	-	0.53
	(Profit) on Appreciation of Value of Investments	(0.84)	-
	Reduction in Loan Liability	(485.38)	-
	Liabilities and Provisions written Back (Net)	(469.68)	(190.86)
	Provision for Employee Benefits	155.10	60.67
	Provision for Doubtful Debts, Advances and Bad Debts	135.55	188.09
	Dividend income	(0.43)	(0.53)
	Interest income	(429.29)	(133.15)
	Interest Expenses	2,917.67	4,067.19
	Operating profit before working capital changes	**5,924.19**	**4,434.67**
	Trade Receivables and Loans and Advances	655.64	(176.67)
	Inventories	37.32	(41.05)
	Trade Payables and Provisions	(190.64)	1,890.72
	Cash generated from operations	**6,426.51**	**6,107.67**
	Direct taxes (Net)	(118.11)	(198.30)
	Net cash generated from operating activities	**6,308.40**	**5,909.37**
B.	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	Purchase of Fixed Assets	(195.59)	(268.82)
	Sale of Fixed Assets	18.16	548.04
	Sale of Investments	0.05	(0.10)
	Movement in Long term loans and advances	(16.40)	-
	Movement in Long term loans and advances	0.09	-
	Fixed Deposit with Bank	(6.58)	(617.76)
	Margin Money with Banks	228.69	(11.81)
	Interest Received	432.10	64.18
	Dividend Received	0.43	0.53
	Net cash generated from / (used in) investing activities	**460.95**	**(285.74)**

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017 (contd...)

(₹ in Lakhs)

	PARTICULARS	YEAR ENDED	
		31ST MARCH, 2017	**31ST MARCH, 2016**
C.	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Proceeds from long term borrowings	252.89	19.83
	Repayment of long term borrowings	(3,241.15)	(2,050.83)
	Proceeds from short term borrowings	(5.69)	-
	Repayment of short term borrowings	-	(65.24)
	Deposits with Prothonotary & Senior Master, Bombay High Court (Refer Note 4.5)	(3,181.17)	(3,050.24)
	Interest paid	(780.79)	(574.98)
	Dividend paid	(2.10)	(4.07)
	Net cash generated from / (used in) financing activities	**(6,958.01)**	**(5,725.53)**
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(188.66)	(101.89)
	CASH AND CASH EQUIVALENTS AS AT 01.04.2016 (Opening Balance)	632.39	734.27
	CASH AND CASH EQUIVALENTS AS AT 31.03.2017 (Closing Balance)	**443.72**	**632.38**
	Components of Cash and Cash Equivalents		
	- Balance with Banks	392.74	581.68
	- Cash on hand	49.48	38.65
	- Cheques on hand	1.23	11.71
	- Foreign Exchange in hand	0.27	0.34
	Total Cash and Cash Equivalents (Note No. 19)	**443.72**	**632.38**
	SIGNIFICANT ACCOUNTING POLICIES	Note 1	
	THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS	Note 1 to 39	

As per our report of even date

For and on behalf of Board of Directors

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

J. G. Verma
Partner
Membership No. 5005

Mumbai : 26th May, 2017

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

Bipinchandra C. Kamdar
Director
(DIN : 01972386)

Amit Vyas
Company Secretary

S.S.Thakur
Director
(DIN : 00001466)

Smita Nanda
Chief Financial Officer

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

1 Principles of Consolidation and Significant Accounting Policies:

1.1 Principles of Consolidation:

The Consolidated Financial Statements relate to Kamat Hotels (India) Limited ("the Holding Company"), its Subsidiaries and Jointly Controlled Entity. The Holding Company and its Subsidiaries together constitute "the Group".

(a) The Consolidated Financial Statements have been prepared on the following basis:

The financial statements of the Holding Company and its Subsidiaries have been combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and unrealized profits or losses as per Accounting Standard 21 'Consolidated Financial Statements' as notified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and as per the provisions of the Companies Act, 2013. Interests in Jointly Controlled Entity have been accounted for by using the proportionate consolidation method as per Accounting Standard 27 'Financial Reporting of Interest in Joint Ventures' as notified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and as per the provisions of the Companies Act, 2013. The financial statements of the Subsidiaries and the Jointly Controlled Entity used in the consolidation are drawn upto the same reporting date as that date of the Holding Company, i.e. 31st March, 2017. The excess of cost to the Holding Company of its investment in the Subsidiaries and Jointly Controlled Entity over the Holding Company's portion of equity, as at the date of making the investment, is treated as Goodwill on Consolidation. The excess of Holding Company's portion of equity of Subsidiaries and Jointly Controlled Entity over the cost of acquisition of the respective investments, as at the date of making the investment, is treated as Capital Reserve. Goodwill arising out of consolidation is not amortised. However the same is tested for impairment at each Balance Sheet date.

There is no Minority Interest as all the subsidiaries are wholly owned subsidiaries.

(b) The list of Subsidiaries and Jointly Controlled Entity, which are included in the consolidation with their respective country of incorporation and the Holding Company's holdings therein, is given below:-

i) Subsidiary Companies:

Name of the Company :	(1)	Orchid Hotels Pune Private Limited (Formerly known as B W Highway Star Private Limited)
Country of Incorporation :		India
Holding % :		100%
Name of the Company :	(2)	Kamat Restaurants (India) Private Limited
Country of Incorporation :		India
Holding % :		100%
Name of the Company :	(3)	Fort Jadhavgadh Hotels Private Limited
Country of Incorporation :		India
Holding % :		100%
Name of the Company :	(4)	Mahodadhi Palace Private Limited (Formerly known as Fort Mahodadhi nivas Palace Private Limited)
Country of Incorporation :		India
Holding % :		100%
Name of the Company :	(5)	Green Dot Restaurants Private Limited
Country of Incorporation :		India
Holding % :		100%
Jointly Controlled Entity:		
Name of the Company :	(6)	Ilex Developers & Resorts Limited
Country of Incorporation :		India
Holding % :		32.92%

1.2 Basis for Preparation of Financial Statements:

The Consolidated Financial Statements relate to Kamat Hotels (India) Limited ('the Holding Company'), its Subsidiaries, Jointly Controlled Entity, as at 31st March, 2017. The Holding Company and its Subsidiaries constitute 'the Group'. The consolidated financial statements are prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with accounting principles generally accepted in India ("Indian GAAP") and are in compliance with the Accounting Standards as notified under section 133 of the Companies Act, 2013 (read with Rule 7 of the Companies (Accounts) Rules, 2014) and guidelines issued by SEBI. The accounting policies adopted in the preparation of Consolidated Financial Statements are consistent with those of previous year.

1.3 Significant Accounting Policies:

1.3.1 Fixed Assets, Depreciation and Amortisation:

Fixed assets are carried at cost of acquisition less accumulated depreciation. The cost of acquisition includes inward freight, duties, taxes and other directly attributable incidental expenses, including foreign exchange fluctuation gains / losses on depreciable assets and borrowing cost.

i) Effective from 1st April, 2014, Depreciation is provided on the items of tangible fixed assets in the accounts on straight -line method based on the useful lives of those assets prescribed in Schedule II to the Companies Act, 2013 after considering the residual value not exceeding 5% of the cost. Buildings taken on lease and leasehold improvements are depreciated over the primary lease period. Cost of intangible assets is amortized in accordance with the provisions of Accounting Standard 26 - " Intangible Assets ".

ii) Where the historical cost of a depreciable asset undergoes a change due to increase or decrease on account of price adjustments, changes in duties or similar factors, depreciation on the revised amount is provided prospectively over the residual useful life of the asset.

1.3.2 Impairment:

The carrying amounts of the assets of the group and jointly controlled entity including intangible assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated, as the higher of the net selling price and the value in use. Any impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds, its recoverable amount.

1.3.3 Leases:

Lease payments under an operating lease are recognised as an expense in the Statement of Profit and Loss as per the terms of the respective lease agreement.

1.3.4 Investments:

Current investments are carried at lower of cost and quoted / fair value, computed category wise. Non-Current investments are carried at cost less any, diminution in value, other than temporary, determined separately for each individual investment.

1.3.5 Inventories:

Inventories are valued at lower of cost (weighted average basis) and net realisable value.

1.3.6 Revenue Recognition:

The Group and jointly controlled entity derives revenues primarily from hospitality services. Revenue on time and material contracts are recognised as the related services are performed. Revenue from fixed price contracts are recognised using the percentage completion method. Revenue yet to be billed is recognised as unbilled revenue. Amounts received on long term service contracts are represented as advance billing and is recognised proportionately over the period of the contract.

Sales and services are stated exclusive of taxes.

Interest income is recognised using the time proportion method based on the underlying interest rates. Dividends are recorded when the right to receive payment is established.

1.3.7 Export Benefits Entitlement:

Benefits arising out of Duty Free Scrips utilized for the acquisition of fixed assets are being adjusted against the cost of the related fixed assets.

1.3.8 Foreign Exchange Transactions:

Transactions in foreign currencies are recorded at the exchange rates prevailing at the date of the transactions. Exchange differences arising on foreign currency transactions other than long term foreign currency items of assets and liabilities having a term of twelve months or more, and settled during the year are recognised in the Statement of Profit and Loss for the year.

Monetary assets and liabilities denominated in foreign currency at the Balance Sheet date other than long term foreign currency items of assets and liabilities having a term of twelve months or more as discussed herein below, are translated at the year end exchange rate and the resultant exchange differences are recognised in the Statement of Profit and Loss. Exchange differences relating to long term foreign currency items of assets and liabilities having a term of twelve months or more as covered in the Companies (Accounting Standards) Amendment Rules 2009 on Accounting Standard 11 The Effects of change in Foreign Exchange Rates (AS-11) notified by Government of India on 31st March 2009 in so far as they relate to the acquisition of a depreciable capital asset, are added to or deducted from the cost of the assets and depreciated over the balance useful life of the asset, and in other cases are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortized over the balance period of such long term monetary item in accordance with the aforesaid Notification.

1.3.9 Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. However, capitalization of such costs is suspended during extended periods in which active development of qualifying asset is interrupted. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are recognised in the Statement of Profit and Loss. Interest income earned from temporary deposits out of borrowed money pending deployment of funds to the full extent or until qualifying assets is ready, is reduced from borrowing costs capitalized.

1.3.10 Provisions, Contingent Liabilities and Contingent Assets:

The Group and jointly controlled entity creates a provision where there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. 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 in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent Assets are neither recognized nor disclosed in the financial statements.

1.3.11 Employee Benefits:

Contribution to Provident Fund, which is a defined contribution scheme, is recognised as an expense in the Statement of Profit and Loss in the year in which the contribution is made.

Provision for compensated absences is determined on the basis of actuarial valuation carried out by an independent actuary at the Balance Sheet date.

The Holding Company contributes to a Group Gratuity Scheme administered by the Life Insurance Corporation of India. The Contributions are charged to the Statement of Profit and Loss. Provision is made for the difference between the actuarial valuation (determined as at the Balance Sheet date) and the funded balance on the basis of projected unit credit method carried out annually by an independent actuary. Actuarial gains and losses are immediately recognized in the Statement of Profit and Loss.

1.3.12 Taxation:

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred taxes reflect the impact of current period timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence, that such deferred tax assets can be realized against future taxable profits. Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realised.

1.3.13 Prior Period Adjustments, Exceptional and Extraordinary Items and Changes in Accounting Policies:

Prior period adjustments, exceptional and extraordinary items and changes in accounting policies having material impact on the financial affairs of the Group and jointly controlled entity are disclosed.

1.3.14 Earnings Per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting year. The weighted average number of equity shares outstanding during the year are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares). For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakhs)

		AS AT 31ST MARCH, 2017	AS AT 31ST MARCH, 2016
2	**SHARE CAPITAL :**		
	AUTHORISED:		
	3,42,50,000 (Previous Year 3,42,50,000) Equity Shares of ₹ 10/- each.	**3,425.00**	3,425.00
		3,425.00	**3,425.00**
	ISSUED, SUBSCRIBED AND PAID UP		
	2,35,84,058 (Previous Year 2,35,84,058) Equity Shares of ₹ 10/- each, fully paid up	**2,358.41**	2,358.41
	Add: Forfeited Shares Account (Amount originally paid up)	**58.85**	58.85
		2,417.26	**2,417.26**

2.1 Terms/ rights attached to equity shares

The Holding Company has only one class of equity shares having a face value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. The Holding Company declares and pays dividend in Indian rupees.

In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity share held by the shareholders.

2.2 The details of Shareholders holding more than 5% shares:

Name of Shareholder	AS AT 31ST MARCH, 2017		AS AT 31ST MARCH, 2016	
	No of Shares	% held	No of Shares	% held
Kamat Holdings Private Limited	**15,00,000**	**6.36**	15,00,000	6.36
Plaza Hotels Private Limited	**35,35,545**	**14.99**	35,35,545	14.99
Indira Investments Private Limited	**15,63,794**	**6.63**	15,63,794	6.63
Dr. Vithal V. Kamat	**32,54,990**	**13.80**	32,54,990	13.80
Clearwater Capital Partners Cyprus Limited	**51,52,315**	**21.85**	72,99,811	30.95

2.3 The reconciliation of the number of shares outstanding is set out below:

Particulars	AS AT 31ST MARCH, 2017 No of Shares	AS AT 31ST MARCH, 2016 No of Shares
Equity Shares at the beginning of the year	**2,35,84,058**	2,35,84,058
Equity Shares at the end of the year	**2,35,84,058**	2,35,84,058

(₹ in Lakhs)

		AS AT 31ST MARCH, 2017		AS AT 31ST MARCH, 2016
3	**RESERVES AND SURPLUS:**			
	Capital Reserve:			
	As per last accounts		**13.87**	13.87
	Capital Redemption Reserve:			
	As per last accounts		**266.50**	266.50
	Securities Premium Account:			
	As per last accounts		**14,986.74**	14,986.74
	Amalgamation Reserve			
	As per last accounts (Refer Note 3.1)		**280.06**	280.06
			15,547.18	15,547.17
	Surplus/(Deficit) in the Statement of Profit and Loss			
	As per last accounts	**(16,310.76)**		(12,368.83)
	Add/ (Less): Profit/ (Loss) for the year	**4,452.88**		(3,941.93)
			(11,857.88)	(16,310.76)
	Total		**3,689.29**	**(763.59)**

3.1 In terms of the Bombay High Court Order dated 13th January, 2012 the above reserve is not available for distribution as dividend by the Company.

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakhs)

4 LONG-TERM BORROWINGS

		AS AT 31ST MARCH, 2017		AS AT 31ST MARCH, 2016	
		Non Current	**Current**	**Non Current**	Current
	SECURED:				
A	Term Loans from Banks (Refer Note 4.1 and 4.4)	**22,800.12**	**24,169.70**	19,923.47	27,866.79
B	Term Loans Under Structured Mezzanine Credit Facility from banks (Refer Note 4.2)	**2,267.00**	**4,335.16**	1,399.50	5,560.77
C	Term Loan from a Financial Institution (Refer Note 4.3 and 4.4)	**3,687.38**	**327.00**	4,014.38	278.00
D	Term Loans From Others (Refer Note 4.3 and 4.4)	**3,230.99**	**1,320.00**	3,550.00	1,790.78
	UNSECURED:				
	from Related Parties (Refer Note 4.10)	**-**	**-**	33.25	-
	from Other (Refer Note 4.10)	**1,589.28**	**-**	1,207.33	-
		33,575.77	**30,151.86**	**30,127.93**	**35,496.34**

4.1 (a) Term loans from Banks (including assigned loans of ₹ 24,426.99 lakhs (Previous year ₹ 21,240.00 lakhs)) are secured by a 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, first / second ranking pari-passu mortgage on Company's immovable property being Hotel "VITS" at Andheri (East), hypothecation on movable fixed assets of Company's hotels at Fort Jadhav Gadh Pune and VITS Nashik, Credit Card receivables, equitable mortgage of hotel property at Lotus Goa, pledge of Equity Shares of the Company held by promoters, pledge of Equity Shares of the Subsidiary companies viz. Orchid Hotels Pune Pvt. Ltd., Kamats Restaurants (India) Pvt. Ltd., Fort Jadhavgadh Hotels Pvt. Ltd. and Mahodadhi Palace Pvt. Ltd. and certain Associate Companies viz. Ilex Developers and Resorts Ltd. Plaza Hotels Pvt. Ltd. and Kamat Holiday Resorts (Silvassa) Ltd. and personal and corporate guarantees of certain promoter directors and entities.

(b) The Term Loan of ₹ 17,554.45 Lakhs (Previous year ₹ 17,556.91 Lakhs) taken by a subsidiary company from a bank is secured by first charge on all movable and immovable fixed assets of the Subsidiary company both present and future, secured by exclusive charge by way of hypothecation of the stocks, current assets including book debts, bills receivables both present and future, guaranteed by corporate guarantee of Kamat Hotels (India) Ltd (Holding Co.) and personal guarantees of some Directors. These loans have been assigned by the Bank to ARCIL vide Assignment Agreement dated 27th September, 2013. No interest on loans from Bank has been provided from October, 2013 onwards.

(c) The term loan of Punjab National Bank taken by Joint Venture company has been assigned to Assets Care & Reconstruction Enterprise Ltd for ₹ 24 Crores as per Assignment Agreement dated 30th June, 2016.The loan is secured by (i) equitable mortgage of Land & Building and proposed additions to the 4 Star hotel building at Bhubaneswar, Orissa owned by Kamat Hotels (India) Limited ii) First Charge on entire assets of the company and hyphothecation of hotel equipments and furniture of the 4 star hotel located at Bhubaneswar Orissa iii) Corporate guarantee of Kamat Hotels (India) Limited and Plaza Hotels Private Limited, iv) Personal guarantees of Dr. Vithal V Kamat and Mrs. Vidya V Kamat, Directors of the Company.The Company has entered into Settlement Agreement with ACRE Ltd on 8th August,2016.

4.2 Term Loans under Structured Mezzanine Credit Facility from Banks including assigned loans of ₹ 2,501.50 lakhs (Previous year ₹ 1,489.00 Lakhs), and restructured loans under OTS of ₹ 1,223.69 lakhs (Previous year ₹ NIL) are secured by 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, Credit Card receivables personal and corporate guarantees of certain promoter directors and entities and certain other collateral securities.

4.3 Term loans from Financial Institution and Others including assigned loans of ₹ 8,562.36 lakhs (Previous year ₹ 8,034.38 lakhs) are secured by 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, first / second ranking pari-passu mortgage on Company's immovable property being Hotel "VITS" at Andheri (East), hypothecation of all movable assets there at, Credit Card receivables, pledge of Equity Shares of the Company held by promoters, pledge of Equity Shares of the Subsidiary companies viz. Orchid Hotels Pune Pvt. Ltd., Kamats Restaurants (India) Pvt. Ltd., Fort Jadhavgadh Hotels Pvt. Ltd. and Mahodadhi Palace Pvt. Ltd. and certain Associate Companies viz. Ilex Developers and Resorts Ltd., Plaza Hotels Pvt. Ltd. and Kamat Holiday Resorts (Silvassa) Ltd. and personal and corporate guarantees of certain promoter directors and entities and certain other collateral securities.

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

4.4 The Corporate Debt Restructuring (CDR) Scheme sanctioned by the Corporate Debt Restructuring Empowered Group vide sanction letter dated 12th March, 2013 in respect of restructured debts of ₹ 33,636.36 lakhs from some of the lenders failed in the financial year ended 31st March 2015 as despite best efforts by the Company, the stipulated assets of the Company could not be sold and consequently the debts aggregating to ₹ 19,614.37 lakhs agreed to be repaid out of the above debts could not be repaid by 31st March, 2014. As explained in Note 37 to Financial Statements the concerned lenders recalled their entire dues. Some of the lenders assigned their respective loans aggregating to ₹ 45,004.15 lakhs (Prev. Year ₹ 32,147.88 lakhs) along with working capital facility as mentioned in Note No.8 to securitisation and asset reconstruction companies during the year and earlier years. Accordingly, these loans at their restated values have been classified as Non-Current and Current Maturities in accordance with the agreements with the assignees. These loans have been referred to as assigned loans. The company is discharging its obligations in terms of the settlement with the respective assignees. In the event of default of terms and condition of the settlements the company may be liable to pay additional and penal interest and charges which are estimated to be ₹ 11761.43 lakhs (Previous year ₹ 5,867.71 Lakhs) for which the provision has been deemed necessary to be made by the management of the company for the time being.

4.5 In respect of loan from a lender no provision for interest of ₹ 277.27 lakhs was made in the previous year ended 31st March, 2016 as the Company had not accepted the claims and matter was disputed and pending before the Bombay High Court where in another lender intervened and joined the first lender. In terms of interim orders passed by the Bombay High Court, the Company has deposited an aggregate amount of ₹ 6,231.41 Lakhs (Previous year ₹ 3,050.24 lakhs) with the Prothonotary & Senior Master till 31st March, 2017 which has been shown in Note 20. Adjustments, if any, will be made on reconciliation / settlement and disposal of the legal case filed by the lender. Pending disposal of the case, the lenders has assigned the entire loan to an asset management company during the year. In terms of the settlement with the assignee, the company has agreed to pay ₹ 202.21 lakhs (Previous year NIL) as additional liability over and above the existing loans, which has been charged to the statement of Profit and Loss for the year ended 31st March 2017. (Refer Note 27).

4.6 Borrowings out of the aggregate amount of Non-Current and Current portion of ₹ 43,805.73 lakhs (Prev. Year ₹ 64,383.95 lakhs), to the extent of ₹ 7,117.76 lakhs (Prev. Year ₹ 34,425.44 laksh) are subject to confirmation from respective lenders, who have initiated recovery proceeding including under SARFAESI Act and the Negotiable Instrument Act ,1881. Since the loan has been fully assigned, the company is advised that the proceedings under the Negotiable Instrument Act will not survive. In the event these proceedings are held against the company. The Company may be liable to pay penalty which is estimated at ₹ 1,000.00 lakhs (Previous year ₹ 1,000.00 lakhs) for which no provision is deemed necessary to be made by the management of the company for the time being.

4.7 Maturity Profile of Term Loans from Banks and others (Non - Current) and rate of interest are as set out below (after considering failure of CDR Scheme and Assignment of loans) :

	Rate of Interest	**Maturity Profile**			**(₹ In Lakhs)**
	(p.a)	**1-2 Years**	2-3 Years	**3-4 Years**	**4 Years & Above**
Term Loans from Banks	Not applicable	14,416.58	3,155.12	3,770.80	745.50
Term Loans Under Structured Mezzanine Credit Facility from banks	Not applicable	377.00	610.00	671.00	609.00
Term Loan from a Financial Institution	Not applicable	1,946.00	1,741.38	-	-
Term Loans From Others	Not applicable	672.99	572.00	666.00	1,320.00

4.8 Out of the above loans, comprising of both non-current and current portion, loans aggregating to ₹ 43,805.73 lakhs (Previous year ₹ 62,508.85 lakhs) have been guaranted by directors and others.

4.9 Particulars of period and amount of continuing default as on the Balance Sheet date in repayment of loans:

		31ST MARCH, 2017		**(₹ in Lakhs)**
		Current	**Interest**	**Period of delays From - To Days**
A	Term Loans from Banks	**21,795.24**	**2,726.23**	**1 - 1370**
B	Term Loans Under Structured Mezzanine Credit Facility from banks	**2,876.97**	**1,523.30**	**1 - 1036**
C	Term Loans From Others	**1,589.28**	**48.46**	**1 - 730**

4.10 The Loans are not repayable on demand and interest free except loan from one party which carries a rate of interest of 9% per annum.

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakhs)

		AS AT 31ST MARCH, 2017	AS AT 31ST MARCH, 2016
5	**DEFERRED TAX LIABILITY:**		
	Deferred tax Liability		
	Related to Depreciation on Fixed Assets	**10,655.61**	10,245.98
	Total	**10,655.61**	**10,245.98**
	Deferred tax Assets		
	Expenses allowable for tax purpose on payment basis	**3,828.28**	5,107.89
	Provision for Employee Benefits	**37.48**	102.40
	Provision for Doubtful Debts	**405.14**	401.05
	Unabsorbed Depreciation /Business Loss	**4,676.26**	2,877.25
	Total	**8,947.16**	**8,488.59**
	Deferred Tax Liability/(Assets) (net) after adjustments	**1,708.45**	**1,757.39**
	Incremental Deferred Tax (asset) / charge for the year	**(48.92)**	**3,382.66**

(₹ in Lakhs)

		AS AT 31ST MARCH, 2017	AS AT 31ST MARCH, 2016
6	**OTHER LONG-TERM LIABILITIES:**		
	Deferred Sales Tax Liability (Refer Note 6.1)	**25.00**	50.00
	Security Deposits - Others	**555.91**	512.48
	Security Deposits from Joint Venture Company (Refer Note 6.2)	**53.66**	53.66
	Time Share Membership- Refundable	**376.83**	521.27
	Income received in Advance (Time Share)	**566.38**	640.24
	Total	**1,577.78**	**1,777.65**

6.1 The Company has deferred its Sales tax liability in terms of entitlement granted for availing sales tax incentives issued by the Sales Tax Department, Maharashtra. This liability has become due in installments from the year 2013 to 2022, which is being paid.

6.2 The Company has received Long term trade deposit of ₹ 80.00 lakhs (Previous Year ₹ 80.00 lakhs) from Ilex Developers & Resorts Limited, a jointly controlled entity, as a security for the hotel property given for development and expansion for a period of 20 years.

(₹ in Lakhs)

		AS AT 31ST MARCH, 2017	AS AT 31ST MARCH, 2016
7	**LONG-TERM PROVISIONS:**		
	Provision for Retirement Gratuity - Actuarial Valuation (Refer Note 25.1.2)	**47.86**	20.72
	Provision for Employee Benefits- Earned Leave (Refer Note 25.1.3)	**212.65**	169.11
	Total	**260.51**	**189.83**
8	**SHORT-TERM BORROWINGS**		
	SECURED:		
	Working Capital Facility from a Bank (Refer Note 8.1)	**-**	772.43
	Total	**-**	**772.43**

8.1 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 has been assigned by the lender during the year (Refer Note 4.4)

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakhs)

		AS AT 31ST MARCH, 2017	AS AT 31ST MARCH, 2016
9	**TRADE PAYABLES:**		
	Total outstanding dues of micro enterprises and small enterprises	**25.02**	24.62
	Total outstanding due of Creditors other than above	**2,447.76**	3,562.48
	Payable to related parties	**145.72**	69.60
	Total	**2,618.50**	**3,656.70**

9.1 Micro, Small and Medium Enterprises as defined under MSMED Act, 2006 have been identified by the Company on the basis of the information available. Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period are given below:

Dues remaining unpaid at the year end:		
- Principal	**25.02**	24.62
- Interest	**19.28**	15.91
Interest paid in terms of Section 16 of the Act	**-**	-
Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year.	**3.60**	2.14
Amount of interest accrued and remaining unpaid at the year end	**19.28**	15.91
Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	**0.99**	0.95

(₹ in Lakhs)

		AS AT 31ST MARCH, 2017		AS AT 31ST MARCH, 2016
10	**OTHER CURRENT LIABILITIES:**			
	Current Maturities of Long-Term Debts:			
	Term Loans from Banks (Refer Note 4.1 and 4.4)	**24,169.70**		27,866.79
	Term Loans under Structured Mezzanine Credit Facility from banks (Refer Note 4.2)	**4,335.16**		5,560.77
	Term Loan from a Financial Institution (Refer Note 4.3 and 4.4)	**327.00**		278.00
	Term Loans from Others (Refer Note 4.3 and 4.4)	**1,320.00**		1,790.78
			30,151.86	35,496.34
	Creditors for Capital Expenditure		**76.85**	102.15
	Advance from customers		**543.98**	305.75
	Income Received in Advance (Time Share)	**1,110.37**		73.86
	Income Received in Advance (Others)	**59.46**		76.18
			1,169.83	150.04
	Bank Balance Overdrawn		**-**	5.69
	Interest Accrued And Due	**5,725.39**		6,733.94
	Interest Accrued But Not Due	**196.53**		158.97
			5,921.92	6,892.91
	Unpaid / Unclaimed Dividends		**-**	2.10
	Other Payables (Refer Note 10.1)		**1,800.12**	2,493.92
	Total		**39,664.56**	**45,448.90**

10.1 Includes employees dues, statutory dues and security deposits.

(₹ in Lakhs)

		AS AT 31ST MARCH, 2017	AS AT 31ST MARCH, 2016
11	**SHORT-TERM PROVISIONS:**		
	Provision for Employee Benefits- Gratuity (Refer Note 25.1.2)	**135.44**	97.07
	Provision for Employee Benefits- Earned Leave (Refer Note 25.1.3)	**78.05**	61.65
	Total	**213.49**	**158.72**

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

12. FIXED ASSETS :

(₹ in Lakhs)

	Description	GROSS BLOCK-COST / BOOK VALUE				DEPRECIATION / AMORTISATION				NET BLOCK	
		As at 1st April, 2016	Additions / adjustments during the year	Deductions / adjustments during the year	As at 31st March, 2017	As at 1st April, 2016	For the year	Deductions / adjustments during the year	As at 31st March, 2017	As at 31st March, 2017	As at 31st March, 2016
I)	**TANGIBLE**										
	Land										
	a) Freehold (Note 12.3)	3,279.45	-	540.28	**2,739.17**	-	-	-	**-**	**2,739.17**	3,279.45
	b) Leasehold (Note 12.3)	31.27	540.28	-	**571.55**	0.06	9.83	-	**9.89**	**561.66**	31.21
	Sub-Total	**3,310.72**	**540.28**	**540.28**	**3,310.72**	**0.06**	**9.83**	**-**	**9.89**	**3,300.83**	**3,310.66**
	Buildings										
	a) Freehold (Note 12.1 and 12.4)	9,338.34	2.81	259.40	**9,081.75**	3,173.30	150.15	-	**3,323.46**	**5,758.29**	6,165.04
	b) Improvements to Buildings under Long Term Contracts (Note 12.4)	61,005.11	292.68	-	**61,297.79**	9,865.62	1,504.53	-	**11,370.14**	**49,927.65**	51,139.49
	Sub-Total	**70,343.45**	**295.49**	**259.40**	**70,379.54**	**13,038.92**	**1,654.68**	**-**	**14,693.60**	**55,685.94**	**57,304.53**
	Plant and Equipment	9,828.96	90.50	64.93	**9,854.53**	5,639.98	583.58	52.14	**6,171.42**	**3,683.11**	4,189.98
	Furniture and Fixtures	2,329.19	27.28	2.63	**2,353.84**	2,168.88	57.75	2.47	**2,224.16**	**129.68**	160.31
	Vehicles	229.48	2.31	66.31	**165.48**	182.36	5.16	46.39	**141.13**	**24.35**	47.12
	Office Equipment	453.29	16.96	76.32	**393.93**	255.20	12.99	74.62	**193.57**	**200.36**	198.09
	Sub-Total	**12,840.92**	**137.05**	**210.19**	**12,767.78**	**8,246.42**	**659.48**	**175.62**	**8,730.28**	**4,037.50**	**4,595.50**
	Total	**86,495.09**	**972.82**	**1,009.87**	**86,458.04**	**21,285.40**	**2,323.99**	**175.62**	**23,433.77**	**63,024.27**	**65,210.69**
II)	**INTANGIBLE**										
	Computer Software	172.95	8.58	86.53	**95.00**	139.32	5.41	84.72	**60.01**	**34.99**	32.63
	Total	**172.95**	**8.58**	**86.53**	**95.00**	**139.32**	**5.41**	**84.72**	**60.01**	**34.99**	**32.63**
	Grand Total	**86,668.04**	**981.40**	**1,096.40**	**86,553.04**	**21,424.72**	**2,329.40**	**260.34**	**23,493.78**	**63,059.26**	**65,243.32**
	Previous Year Total	229.48	229.48	229.48	**229.48**	229.48	229.48	229.48	**229.48**	**65,243.22**	
	CAPITAL WORK-IN-PROGRESS										
	Capital Work-In-Progress (Note 12.2)	40.19	25.07	11.19	**54.07**	-	-	-	**-**	**54.07**	40.19
	Previous Year Total	18.54	21.35	-	**40.19**	-	-	-	**-**	**40.19**	

12.1 Buildings include (i) cost of residential flats of ₹ 1.96 lakhs (Previous year ₹ 1.96 lakhs) and (ii) Cost of residential flats of ₹ 32.53 lakhs (Previous Year ₹ 32.53 lakhs).

12.2 Capital work-in-progress includes General Expenses ₹ 12.97 lakhs (Previous Year ₹ 12.97 lakhs) ; Building Under Construction ₹ 15.53 lakhs (Previous Year ₹ 14.48 lakhs); Plant & Machinery ₹ 25.57 lakhs (Previous year ₹ 0.36 lakhs), Computer Software ₹ NIL (Previous Year ₹ 11.12 lakhs) and Electrical Fittings and Fixture ₹ NIL (Previous Year ₹ 1.26 lakhs).

12.3 Freehold land at Bhubaneswar ₹ 540.28 lakhs (Previous year ₹ NIL) has been re-classified as leasehold land and being amortised over the lease period. Leasehold land at Goa ₹ 31.28 lakhs (Previous year ₹ 31.28 lakhs) has been amortised over the lease period.

12.4 Freehold Building at Bhubaneswar ₹ 259.40 lakhs (Previous year ₹ NIL) has been re-classified as leasehold building and being amortised over the lease period.

KAMAT HOTELS (INDIA) LIMITED

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakhs)

			AS AT 31ST MARCH, 2017	AS AT 31ST MARCH, 2016
13	**NON-CURRENT INVESTMENTS**			
Number	**Face value per unit**			
		Non Trade Investments		
		Fully paid up equity shares (Quoted)		
50	₹ 10	- Royal Orchid Hotels Limited	**0.03**	0.03
(50)				
		Fully paid up equity shares (Unquoted)		
10,010	₹ 50	- The Satara Sahakari Bank Limited	**5.00**	5.01
(10,010)				
		Tax Saving Bonds (Unquoted)		
200	₹ 5,000	ICICI Tax Saving Bonds	**-**	10.00
(200)				
		Investments in Government Securities		
		6 Year NSC	**-**	0.05
		Investments in NSC	**0.10**	0.09
		Total Non-Current Investments	**5.13**	**15.18**
		Aggregate amount quoted Investments		
		- Cost	**0.03**	0.03
		- Market Value	**0.04**	0.04
		Aggregate amount of unquoted Investments		
		- Cost	**5.10**	15.15

13.1 Figures in brackets are in respect of previous year.

(₹ in Lakhs)

		AS AT 31ST MARCH, 2017		AS AT 31ST MARCH, 2016
14	**LONG-TERM LOANS AND ADVANCES:**			
	(Unsecured, good, unless otherwise stated)			
	Capital Advances (include ₹188.65 Lakhs	**188.65**		188.65
	(Previous Year ₹ 188.65 Lakhs) considered doubtful)			
	Less: Provision for doubtful advances	**188.65**		188.65
			-	-
	Inter Corporate Deposit- Considered Doubtful	**200.00**		200.00
	Less: Provision for Doubtful Deposits	**200.00**		200.00
	Loans and Advances to related parties:		**-**	-
	To a Company		**15.80**	-
	Payment of Taxes (Less Provisions) (Refer Note 14.1)		**1,101.86**	995.46
	MAT Credit Entitlement		**167.19**	155.96
	Prepaid Expenses		**9.40**	1.37
	Total		**1,294.25**	**1,152.79**

14.1 Payment of Taxes is net of provision for tax of ₹ 1,337.49 lakhs (Previous Year ₹ 1,262.53 lakhs) and further after adjusting ₹ 211.75 lakhs (Previous year ₹ 211.75 lakhs) for MAT credit availed during the earlier years.

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakhs)

		AS AT 31ST MARCH, 2017		AS AT 31ST MARCH, 2016
15	**OTHER NON-CURRENT ASSETS:**			
	(Unsecured, good, unless otherwise stated)			
	Security Deposits		**180.83**	199.49
	Long Term Deposits for Hotel and Other Properties (includes ₹ 488.62 Lakhs (Previous year ₹ 488.62 Lakhs) considered doubtful) (Refer note 15.1 and 15.2)	**8,512.62**		8,519.62
	Less: Provision for doubtful deposit	**488.62**		488.62
			8,024.00	8,031.00
	Preliminary Expenses		**0.14**	0.20
	Total		**8,204.97**	**8,230.69**

15.1 The above deposits include ₹ 8,000.00 lakhs (Previous Year ₹ 8,000.00 lakhs) paid to Plaza Hotels Private Limited for hotel properties (a Company wherein some directors of the Company are directors).

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 fulfill 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 previous year for the deposit paid to the said party. In the meantime, the Company had initiated legal proceedings against the owners by filing Arbitration Application before the Bombay High Court for appointment of Arbitrator. The Bombay High Court vide order dated 22nd February, 2013 has referred the matter to a sole arbitrator. The Company filed its Statement of Claims before the arbitrator. The owners also filed their reply and also made a counter claim for compensation and interest thereon before the arbitrator besides claiming that the claim of the Company was barred by limitation of time. Subsequently, vide letter dated 12th September, 2013, the arbitrator resigned and the matter could not proceed further thereafter the Company has approached the High Court again for directions. Pursuant to the directions given by the High Court vide Order dated 4th February, 2016, sole Arbitrator has been appointed. In view of impending talks of settlement, the Company has filed a joint application alongwith the Trust requesting the arbitrator to terminate arbitration proceedings with liberty to approach the Tribunal as and when required. Adjustments, if any, to the expenditure written off and provision made as above, will be made on disposal / conclusion of the Arbitration Proceedings in the above matter.

(₹ in Lakhs)

		AS AT 31ST MARCH, 2017	AS AT 31ST MARCH, 2016
16	**CURRENT INVESTMENTS:**		
	Investments in Mutual Funds- Unquoted		
	SBI PSU FUND 50,000 (Previous Year 50,000) Units of ₹ 10/- each fully paid up	**5.00**	4.16
	(NAV - ₹ 6.17 Lakhs (Previous Year ₹ 4.16 Lakhs)		
	Tax Saving Bonds (Unquoted)		
	ICICI Tax Saving Bonds (Maturing On 16.11.2017)	**10.00**	-
	5,000 (Previous year 5,000) units of ₹ 200 each fully paid up		
	Total	**15.00**	**4.16**
17	**INVENTORIES:**		
	(At Lower of weighted average cost and net realisable value)		
	Raw Materials and Others		
	- Food and Beverages	**174.16**	190.32
	- Stores and Operating Supplies	**357.47**	378.63
	Total	**531.63**	**568.95**

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakhs)

		AS AT 31ST MARCH, 2017	AS AT 31ST MARCH, 2016
18	**TRADE RECEIVABLES:**		
	(Unsecured, good, unless otherwise stated)		
	Unsecured:		
	- Over Six Months [₹ 1,224.99 Lakhs (Previous year ₹ 1160.18 Lakhs) considered doubtful]	**1,224.99**	1,169.30
	- Other Debts	**943.62**	1,086.22
		2,168.61	2,255.52
	Less: Provision for Doubtful Debts	**1,294.37**	1,160.18
	Total	**874.24**	**1,095.34**
18.1	Included in above:		
	(a) due from Ilex Developers & Resorts Limited (Joint Venture Company) (Unsecured, good)	**-**	3.98
	(b) due from Treeo Resorts Private Limited (Group Company) (Unsecured, good) (Since recovered ₹ 1.00 Lakh)	**11.88**	-

(₹ in Lakhs)

		AS AT 31ST MARCH, 2017	AS AT 31ST MARCH, 2016
19	**CASH AND BANK BALANCES:**		
	Cash and Cash Equivalents:		
	- Balance with Banks	**392.74**	581.68
	- Cash on hand	**49.48**	38.65
	- Cheques on hand	**1.23**	11.71
	- Foreign Exchange in hand	**0.27**	0.34
	Sub-total	**443.72**	632.38
	Other Bank Balances:		
	- Margin Money in Fixed Deposits with Banks	**320.34**	118.25
	- Fixed deposit with Bank		
	- Fixed deposit with Bank (Maturity Less than 12 Months)	**196.95**	600.00
	- Dividend Bank Accounts	**-**	2.10
	Sub-total	**517.29**	720.35
	Total	**961.01**	**1,352.73**

19.1 Disclosure on Specified Bank Notes (SBNs) :

The details of Specified Bank Notes (SBNs) held and transacted during the period from 8th November, 2016 to 30th December, 2016 are as under :

(₹ in Lakhs)

Particulars	SBNs	OTHER NOTES	TOTAL
Closing cash in hand on 8th November, 2016	105.34	2.43	107.77
Add: Permitted receipts	-	190.30	190.30
Less: Permitted payments	-	28.71	28.71
Less: Amount deposited in banks	105.34	102.76	208.10
Closing cash in hand on 30th December, 2016	**-**	**61.26**	**61.26**

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakhs)

		AS AT 31ST MARCH, 2017	AS AT 31ST MARCH, 2016
20	**SHORT TERM LOANS AND ADVANCES:**		
	(Unsecured, good)		
	- Loans and Advances to Employees	**0.03**	1.08
	- Deposits including Balances with Government and other agencies	**31.02**	-
	- Deposits with Prothonotary & Senior Master, Bombay High Court (Refer Note 23.2)	**6,231.40**	3,095.40
	- Income Tax Refund Receivable	**21.85**	39.69
	- Prepaid Expenses	**179.36**	181.31
	- Others (Refer Note 20.1)	**914.66**	1,171.25
	Total	**7,378.32**	**4,488.73**
20.1	Include advances to suppliers and for expenses.		
21	**OTHER CURRENT ASSETS:**		
	(Unsecured good)		
	- Interest Receivable on Bank Deposits and Investments	**128.17**	132.57
	- Preliminary Expenses	**0.07**	0.07
	Total	**128.24**	**132.64**

(₹ in Lakhs)

		FOR THE YEAR ENDED 31ST MARCH, 2017	31ST MARCH, 2016
22	**REVENUE FROM OPERATIONS:**		
	Revenue from Hotel Operations:		
	Rooms	**11,215.31**	10,390.83
	Food and Beverages	**5,693.62**	6,217.58
	Income from Time Share Business (Refer Note 22.1)	**325.17**	393.24
	Management and Consultancy Fees (Refer Note 22.2)	**198.70**	234.64
	Sub total 'A'	**17,432.80**	17,236.29
	Other Operating Revenue:		
	Swimming Pool and Health Club	**114.43**	97.60
	Conference and Banqueting Services	**416.95**	394.04
	Internet and Telephone	**13.28**	50.24
	Laundry Services	**65.21**	69.39
	Car Rental and Transportation	**99.80**	81.42
	Membership- Sales Promotion Schemes	**116.69**	126.14
	Licence Fees - Shops and Offices	**153.33**	183.41
	Miscellaneous Services	**132.80**	105.88
	Sub total 'B'	**1,112.49**	**1,108.12**
	Total 'A' + 'B'	**18,545.29**	**18,344.41**

22.1 The Company's business, inter-alia, is to sell Time Share and provide holiday facilities to members for a specified period each year, over a number of years, for which membership fees is collected either in full upfront, or on a deferred payment basis. Out of the total membership fee, relevant portion reasonably attributable towards cost required to market Time Share, which is assessed and revised periodically, is recognized as Time Share income in the year in which the purchaser of Time Share becomes a member and the balance representing 'Advance towards members' facilities is being recognized as Time Share income equally over a period for which holiday facilities are provided commencing from the year in which the member is entitled to benefits of membership under the scheme. Annual subscription fee dues from Times Share members is recognized as income.

22.2 Include ₹ Nil (Previous year ₹ 35.85 lakhs) relating to previous year.

22.3 Excise Duty of ₹ 0.56 lakhs (Previous year Rs.1.13 lakhs) relating to Sale of Food & Beverage has been included in Other Expenses in Note 26, which was reduced from the income in the previous year.

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakhs)

		FOR THE YEAR ENDED	
		31ST MARCH, 2017	**31ST MARCH, 2016**
23	**OTHER INCOME:**		
	Interest Earned		
	Interest on Long Term Investments	**10.83**	9.56
	Interest from Banks on deposits	**58.30**	46.20
	Interest from Others (Refer Note 23.2)	**276.31**	77.39
		345.44	133.15
	Gain on Foreign Exchange	**10.80**	11.40
	Dividend on Long Term Investments	**0.43**	0.53
	Liabilities and Provisions written back (Refer Note 23.1)	**408.90**	190.86
	Excess Provision for depreciation written back	**-**	146.01
	Licence Fees - Other Properties	**56.24**	75.72
	Provision for doubful debts, no longer required, written back	**62.32**	-
	Other Non Operating Income (Refer Note 23.3)	**113.02**	179.12
	Total	**997.15**	**736.79**

23.1 Liabilities and Provisions written back include ₹ Nil (Previous Year ₹ 44.82 lakhs) towards excess provisions for gratuity and leave encashment , no longer required, written back.

23.2 Includes ₹ 264.39 lakhs (Previous Year ₹ 32.56 lakhs) accrued on deposits made with Prothonotary & Senior Master, Bombay High Court (Refer Note 20)

23.3 Includes ₹ 2.54 lakhs (Previous Year ₹ 55.33 lakhs) insurance claim and ₹ 8.15 lakhs (Previous year ₹ 20.39 lakhs) being MVAT refund.

(₹ in Lakhs)

		FOR THE YEAR ENDED	
		31ST MARCH, 2017	**31ST MARCH, 2016**
24	**COST OF FOOD AND BEVERAGE CONSUMED:**		
	Opening Stock	**190.31**	185.18
	Add: Purchases (Refer Note 24.1)	**1,661.93**	1,871.04
		1,852.24	2,056.22
	Less : Closing Stock	**174.16**	190.31
	Total	**1,678.08**	**1,865.91**

24.1 Purchases are net of recoveries of ₹368.94 lakhs (Previous year ₹ 329.78 lakhs)

24.2 Particulars of imported and indigenous food and beverages consumed:

Value - Imported	**159.04**	159.04
- Indigenous	**1,519.05**	1,706.87
	1,678.09	**1,865.91**
Percentage - Imported	**9.48%**	8.52%
- Indigenous	**90.52%**	91.48%
	100.00%	**100.00%**

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakhs)

		FOR THE YEAR ENDED	
		31ST MARCH, 2017	31ST MARCH, 2016
25	**EMPLOYEE BENEFITS EXPENSE:**		
	Salaries and Wages	**3,615.74**	3,781.99
	Contribution to Provident and other Funds	**190.13**	202.99
	Provision for Gratuity	**94.48**	25.14
	Provision for Leave Encashment	**60.62**	35.53
	Staff Welfare Expenses	**315.68**	337.87
	Total	**4,276.65**	**4,383.52**

25.1 The disclosures required under Accounting Standard 15 "Employee Benefits" (AS 15) prescribed Under Section 133 of the Companies Act, 2013 , read with Rule 7 of the Companies (Accounts) Rules , 2014, are given below:

(₹ in Lakhs)

		FOR THE YEAR ENDED	
		31ST MARCH, 2017	31ST MARCH, 2016
25.1.1	**Defined Contribution Plan:**		
	Contribution to Defined Contribution Plan, recognised and charged off for the year are as under:		
	Contributions to Provident Fund	**182.95**	195.52

25.1.2 Defined Benefit Plan:

The employees' gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligations for leave encashment is recognised in the same manner as gratuity.

	Gratuity (Funded)		
a)	**Reconciliation of opening and closing balances of Defined Benefit obligation**		
	Defined Benefit obligation at beginning of the year	**239.42**	255.09
	Current Service Cost	**40.20**	34.76
	Interest Cost	**17.33**	16.56
	Actuarial (gain) / loss	**17.27**	(30.94)
	Benefit Paid	**(56.96)**	(36.06)
	Defined Benefit obligation at year end	**257.26**	239.42
b)	**Reconciliation of opening and closing balance of fair value of plan assets**		
	Fair value of plan assets at beginning of the year	**142.85**	160.00
	Expenses Deducted from the fund	**-**	(0.84)
	Expected return on plan assets	**11.28**	8.97
	Employers Contribution	**28.97**	6.73
	Benefit Paid	**(56.96)**	(36.06)
	Actuarial (gain) / loss	**(2.96)**	4.05
	Fair value of plan assets at year end	**123.19**	142.85
	Actual return on plan assets	**11.28**	8.97
c)	**Reconciliation of fair value of assets and obligations**		
	Fair value of plan assets as at 31st March, 2017	**123.19**	142.85
	Present value of obligation as at 31st March ,2017	**257.26**	239.42
	Amount recognised in Balance Sheet	**134.08**	96.57

KAMAT HOTELS (INDIA) LIMITED

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakhs)

		FOR THE YEAR ENDED	
		31ST MARCH, 2017	**31ST MARCH, 2016**
Gratuity (Funded)			
d)	**Net Gratuity and other cost for the year**		
	Current Service Cost	**40.20**	34.76
	Interest Cost	**17.33**	16.56
	Expected return on plan assets	**(11.28)**	(8.97)
	Actuarial (gain)/ loss	**20.23**	(34.99)
	Net Cost	**66.48**	7.36
e)	**Investment Details**	**% invested**	% invested
	L I C Group Gratuity (Cash Accumulation) Policy	**100.00**	100.00
f)	**Actuarial assumptions**		
	Mortality Table (L.I.C)	**2006-08 (Ultimate)**	**2006-08 (Ultimate)**
	Discount rate (per annum)	**6.95%**	7.90%
	Expected rate of return on plan assets (per annum)	**6.95%**	7.90%
	Rate of escalation in salary (per annum)	**6.50%**	6.50%
	Employers Best estimate of expected contribution for next year	**134.08**	96.57
	The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.		
	The expected rate of return on plan asset is determined considering several applicable factors, mainly the composition of Plan assets held, assessed risk, historical results of return on plan assets and the Company's policy for plan assets management.		
Gratuity (Non Funded)			
a)	**Change in Present Value of Obligation**		
	Present value of the obligation at beginning of the year	**21.22**	14.62
	Current Service Cost	**16.62**	7.93
	Interest Cost	**2.62**	1.13
	Actuarial (Gain) / Loss on Obligation	**8.76**	(1.56)
	Benefit Paid	**-**	0.90
	Present value of the obligation at the end of the year	**49.22**	21.22
b)	**Amounts Recognised in the Balance Sheet:**		
	Present value of Obligation at the end of the year	**49.22**	21.22
	Fair value of Plan Assets at the end of the year	**-**	-
	Net Obligation at the end of the year	**49.22**	21.22
c)	**Amounts Recognised in the Statement of Profit and Loss:**		
	Current Service Cost	**16.62**	7.93
	Interest cost on Obligation	**2.62**	1.13
	Expected return on Plan Assets		
	Net Actuarial (Gain) / Loss recognised in the year	**8.76**	(1.56)
	Net Cost	**28.00**	7.50
d)	**Actuarial assumptions**		
	Discount rate	**7.32%**	7.98%
	Expected Rate of Return on Plan Assets	**-**	-
	Salary Escalation Rate	**7.50%**	7.00%
	Mortality Table (LIC)	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakhs)

		FOR THE YEAR ENDED	
		31ST MARCH, 2017	**31ST MARCH, 2016**
25.1.3	**Leave encashment (Non Funded)**		
a)	**Reconciliation of opening and closing balances of Defined Benefit obligation**		
	Defined Benefit obligation at beginning of the year	**230.77**	231.02
	Current Service Cost	**13.29**	20.28
	Interest Cost	**2.48**	0.62
	Benefit Paid	**(0.58)**	8.11
	Actuarial (gain) / loss	**44.73**	(13.03)
	Defined Benefit obligation at year end	**290.69**	230.77
	Reconciliation of fair value of assets and obligations		
	Present value of obligation as at 31st March, 2017	**290.69**	230.77
	Amount Recognised in Balance Sheet	**290.69**	230.77
	Expenses recognised during the year		
	Current Service Cost	**13.29**	20.28
	Interest Cost	**2.48**	0.62
	Actuarial (gain)/ loss	**44.73**	(13.03)
	Net Cost	**60.50**	7.86
25.2	**Managerial Remuneration :**		
	Remuneration to Executive Chairman and Managing Director (ECMD) (Refer Note 25.3)	**96.00**	96.00
	Contribution to Provident Fund	**9.50**	9.50
	Perquisites	**0.10**	0.11
	Total	**105.60**	**105.61**

25.3 Above remuneration to Executive Chairman and Managing Director (ECMD) for the period from 1st April, 2016 to 30th September 2016 has been paid in accordance with The Central Government approval dated 10th January, 2014 and for the period from 01st October, 2016 to 31st March 2017 has been paid in accordance with the approval of the Shareholders of the Company in terms of Special Resolution passed at the 29th Annual General Meeting held on 24th September, 2016. Though the Company has made an application for approval of remuneration to ECMD for the period from 01st October, 2016, (which is pending), in view of availability of sufficient profit in this financial year within the meaning of section 197 / 198 of the Companies Act 2013, the Company is advised that no such approval is required and the above remuneration is within the permissible limits of section 197 of the Act read with schedule V to the Act.

26	**OTHER EXPENSES:**		
	OPERATING EXPENSES:		
	Heat, Light and Power	**1,779.39**	2,182.09
	Rent	**394.56**	398.41
	Licences, Rates and Taxes (Refer Note 26.1)	**576.00**	1,036.34
	Repairs to Buildings	**232.76**	376.68
	Repairs to Plant and Machinery	**362.45**	381.80
	Repairs to Others	**145.90**	215.21
	Expenses on Apartments and Boards	**679.29**	683.84
	Replacements of Crockery, Cutlery, Linen, etc.	**199.56**	129.02
	Washing and Laundry Expenses	**169.03**	178.85
	Water Charges	**170.53**	197.25
	carried forward	**4,709.47**	5,779.49

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Brougt forward	**4,709.47**	5,779.49
GENERAL EXPENSES:		
Advertisement, Publicity and Sales Promotion	**329.67**	323.43
Travel Agents' Commission	**442.16**	357.50
Discount to Collecting Agents	**115.71**	112.18
Management/ Licence Fees and Royalty	**101.66**	109.04
Band and Music Expenses	**85.68**	83.97
	1,074.88	**986.12**
ADMINISTRATIVE AND OTHER EXPENSES:		
Communication Expenses	**117.55**	111.12
Printing and Stationery	**89.61**	98.10
Legal, Professional and Consultancy charges	**389.60**	420.82
Directors' Sitting fees	**4.57**	2.00
Travelling and Conveyance	**191.97**	202.60
Insurance	**59.41**	51.50
Bad Debts	**1.42**	32.83
Provision for Doubtful debts and advances	**134.19**	155.26
Auditors' Remuneration (Refer Note 26.2)	**12.00**	11.81
Sales Tax/Vat /Luxury Tax etc. including assessment dues (Refer Note 22.3)	**180.24**	152.48
Loss on Diminution in value of Current Investments	**-**	0.53
Loss on Sale / Discard of Fixed Assets (Net)	**18.21**	47.33
Prior Periods Expenses	**20.19**	12.28
Miscellaneous Expenses (Refer Note 26.3)	**82.94**	85.11
	1,301.90	**1,383.77**
	7,086.25	**8,149.38**

26.1 The Municipal Corporation of Greater Mumbai (MCGM) has raised an additional demand for property tax of ₹ Nil (Previous Year ₹ 111.71 lakhs) for the year 2016-2017 in respect of Company's hotels and offices based on newly introduced capital value method w.e.f 01.04.2010. The Company has filed objections to the said valuation which are pending disposal by MCGM in respect of The Orchid, Mumbai, The Orchid Privi Wing Mumbai and VITS, Mumbai. In respect of Company's offices the Company has filed appeals before the appropriate Court, Mumbai which are pending. Pending such disposal, the Company has made provision for the same on the basis of invoices raised by MCGM and adjustment, if any, will be made on disposal of Company's objections and appeals.

(₹ in Lakhs)

		FOR THE YEAR ENDED	
		31ST MARCH, 2017	**31ST MARCH, 2016**
26.2	**Auditors' Remuneration**		
	- As Audit Fees	**9.80**	9.97
	- Taxation Matters	**0.20**	-
	- Other Services	**1.45**	1.45
	- Out of Pocket Expenses	**0.30**	0.30
	- Service Tax (net of Input tax credit availed)	**0.05**	0.08
	Total	**11.80**	**11.80**

26.3 Includes Prior Periods Expenses of ₹ 12.72 lakhs (Previous year ₹ 11.82 lakhs)

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakhs)

		FOR THE YEAR ENDED	
		31ST MARCH, 2017	**31ST MARCH, 2016**
27	**FINANCE COSTS:**		
	Interest Expense (Refer Note 27.1)	**1,980.37**	3,128.22
	Other Borrowing Costs (Refer Note 27.2)	**849.50**	938.96
	Total	**2,829.87**	**4,067.18**

27.1 Reference is invited to note 34 relating to non provision of interest for the previous year due to disputes with certain lenders.

27.2 Other Borrowing Costs include OTS charges of ₹ 624.18 lakhs (Prev. Year ₹ 624.18 lakhs) on restructuring of certain loans during the year by way of assignment.

(₹ in Lakhs)

		FOR THE YEAR ENDED	
		31ST MARCH, 2017	**31ST MARCH, 2016**
28	**EXCEPTIONAL ITEMS:**		
	EXPENSES:		
	Bad Debts - interest receivable from Subsidiary written off	**-**	4,198.16
		-	**4,198.16**
	INCOME:		
	Excess Provision Written Back * Income Tax	**0.01**	-
	Excess Provision Written Back * Interest provision of earlier years	**2,576.38**	745.83
	Reduction in loan liability	**485.38**	-
	Profit /(Loss) on Sale / Discard / Disposal of Fixed Assets (Net)	**-**	489.62
	Provision for doubtful interest receivable from Subsidiary Written Back	**-**	4,198.16
		3,061.77	5,433.61
	Total	**(3,061.77)**	**(1,235.45)**

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

29 Contingent Liabilities and Commitments.

(₹ in Lakhs)

		AS AT 31ST MARCH, 2017	AS AT 31ST MARCH, 2016
I	**Contingent liabilities:**		
A	**Claims Against Company / Disputed liabilities not acknowledged as debts.**		
i)	Disputed Income Tax Demand	**809.97**	400.69
ii)	Disputed Indirect Tax Demand	**593.40**	285.13
iii)	Open import Licence	**1,313.70**	1,256.11
iv)	Claims against the Company not acknowledged as debt.	**100.99**	704.25
v)	Other Matters disputed	**86.02**	103.93
vi)	Claims against the Company in respect of disputed demand by Contractors pending in appropriate courts	**Nil**	72.00
vii)	Disputed claim of additional premium by The Director of Sports Govt.of Maharashtra.	**225.00**	225.00
	The Company is hopeful that on disposal of litigations as referred to in item (i) to (v) above, the disputed demands will not survive. In the event any of the said litigation is held against the company, it will be liable to pay the demand raised alongwith applicable interest thereon, which is presently unascertainable.		
	ARCIL and ICICI Bank have jointly filed an application before DRT during the earlier year claiming recovery of ₹ 25,237.90 lakhs plus further interest which has not been accepted by the Subsidiary Company and the matter is pending before DRT.		
B	**Guarantees:**		
i)	Corporate guarantee given to a bank given in respect of credit facilities availed by Subsidiary Company.	**20,434.00**	20,434.00
ii)	Counter Guarantees issued by the Company to secure Bank Guarantees obtained by the Company	**38.12**	1,085.45
iii)	Corporate guarantee given to a bank given in respect of credit facilities availed by Joint Venture Company	**1,000.00**	Nil
iv)	Corporate guarantee given to a bank given in respect of credit facilities availed by Holding Company.	**38,583.00**	38,583.00
C	**Other Money for which the Company is contingently liable.**		
i)	Obligation towards default in respect of Repayment of Assigned Secured Debts	**11,761.43**	Nil
ii)	Obligation towards cases filed by a lender under The Negotiable Instruments Act, 1881	**1,000.00**	Nil
D	Refer Note 15.2 in respect of dispute regarding Bandra-Kurla Project		
II	**Commitments.**		
A	Estimated amount of capital commitments to be executed on capital accounts and not provided for (net of advances)	**14.56**	6.89
B	**Other Commitments**		
i)	Undertaking given by the Company in favour of a lender to repay the loan to the extent of 50% of sale proceeds of the specified assets sold.	**1,236.82**	1,236.82
ii)	Commitment to the V Privilege Scheme members for providing Hospitality services during the year 2016-17 as per membership sale value	**91.46**	95.47
iii)	The Company has put up an STP Unit 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 user of property as explained in the Explanatory Statement under section 393 of the Companies Act ,1956 to the notice convening the meeting of the shareholders of the Company on 22nd October 2005 pursuant to Bombay High Court Order dated 2nd September 2005 and as approved by the Board of Directors of the Company in the meeting held on 26th July 2008. The modalities are being worked out.		
iv)	Certain ex-employees of the Company have demanded re-instatement of their service along with arrears of wages, which is contested by the Company and the amount is indeterminate.		

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

30 Earnings Per Share

Basic and Diluted

Particulars	**YEAR ENDED**	
	31ST MARCH, 2017	**31ST MARCH, 2016**
Net Profit / (Loss) after tax as per Statement of Profit and Loss (₹ in Lakhs)	**4,452.88**	(3,941.93)
No. of Shares issued	**2,35,84,058**	2,35,84,058
Nominal Value of Share (₹)	**10.00**	10.00
Weighted average no. of Shares – Basic	**2,35,84,058**	2,35,84,058
Weighted average no. of Shares – Diluted	**2,35,84,058**	2,35,84,058
Basic E.P.S. (₹) :	**18.88**	(16.71)
Diluted E.P.S. (₹):	**18.88**	(16.71)

31 Segment Reporting

The Company's activities involve predominantly providing hospitality related services, which is considered to be a single business segment since these are subject to similar risks and returns. Further, services are not provided out of India and hence there are no reportable geographical segments. Accordingly, the financial statements are reflective of the information required by Accounting Standard 17 - Segment Reporting (AS-17).

32 Related Party Disclosures:

Related Parties where control exists:

(a) **Jointly Controlled Entity:**

Ilex Developers & Resorts Limited (Joint Venture)

(b) **Companies in which some directors of the Company are directors/members:**

Plaza Hotels Private Limited
Kamats Holiday Resorts (Silvassa) Limited
Kamats Amusements Private Limited
Talent Hotels Private Limited
Nagpur Ecohotel Private Limited
VITS Hotels (Bhubaneswar) Private Limited
Treeo Resort Private Limited
Venketesh Hotels Private Limited

(c) Key Management Personnel and their relatives:

Dr. Vithal V. Kamat	-	Executive Chairman & Managing Director
Mr. Vishal V. Kamat	-	Chief Executive Officer of Fort Jadhavgadh, Pune and a relative
Mrs. Vidya V. Kamat	-	Relative
Mr. Vikram V. Kamat	-	Relative
Ms. Vidita Kamat	-	Relative

(d) Other Related parties where key managerial personnel are able to exercise significant influence and with whom transactions have been taken place during the year :

None

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(e) Summary of transactions during the year with Related Parties entered into on commercial basis in the interest of the Company and approved by the Board and status of outstanding balances as on 31st March, 2017:

(₹ in Lakhs)

Sr. No.	Nature of transactions	Joint Venture & specified companies	Key Management Personnel & relatives	Other related parties
1.	Sale by rendering services including Management & Consultancy Fees	6.27 (5.19)	Nil (Nil)	Nil (Nil)
2.	Sale of old used Fixed Assets and miscellaneous items of circulating stock and stores	2.44 (13.44)	Nil (Nil)	Nil (Nil)
3.	Consultancy Fees / Fees paid towards hotel property under Business Contract Agreement	93.63 (98.25)	Nil (Nil)	Nil (Nil)
4.	Purchase of goods & services	Nil (Nil)	5.87 (12.51)	Nil (Nil)
5.	Remuneration to Key Management Personnel	Nil (Nil)	138.66 (134.63)	Nil (Nil)
6.	Deposits Recovered during the year	Nil (2.25)	Nil (Nil)	Nil (Nil)
7.	Long term trade Deposit received towards Business Contract Agreement	53.66 (Nil)	Nil (Nil)	Nil (Nil)
8.	Loans Repaid during the Year	74.01 (Nil)	Nil (Nil)	Nil (Nil)
9.	Loans taken during the Year	32.20 (Nil)	Nil (Nil)	Nil (Nil)
10.	Advances Repaid during the year	Nil (Nil)	Nil (Nil)	Nil (Nil)
11.	**Balance outstanding at the year end:**			
(a)	Accounts receivable (Refer Note 18)	42.08 (22.50)	Nil (Nil)	Nil (Nil)
(b)	Deposit paid includes Under Business Contract Agreements (Refer Note 15)	8,000.00 (8,000.00)	Nil (Nil)	Nil (Nil)
(c)	Long Term Trade Deposit received towards Business Contract Agreement.(Refer Note 6)	53.66 (53.66)	Nil (Nil)	Nil (Nil)
(d)	Amounts Payable (Note 9 and 10)	132.14 (49.23)	14.79 (15.78)	Nil (Nil)
(e)	Undertaking given by the Associate companies in favour of a lender towards repayment of loan from 50% of Sale Proceeds of their immovable properties.	4,213.18 (4,213.18)	Nil (Nil)	Nil (Nil)
(f)	Corporate Guarantee issued by the Holding Company in favour of banks on behalf of Subsidiary / Joint Venture Companies	1,000.00 (1,000.00)	Nil (Nil)	Nil (Nil)

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakhs)

Sr. No.	Nature of transactions	Joint Venture & specified companies	Key Management Personnel & relatives	Other related parties
(g)	Corporate Guarantee / Personal Guarantee provided to the lenders (to the extent of loan outstanding at the year end)	32,181.78 (35,842.61)	62,771.83 (105,448.68)	Nil (Nil)
(h)	Aggregate Corporate Guarantee / Personal Guarantee provided under CDR obligation (to the extent of loan outstanding at the year end)	36,196.16 (37,634.99)	36,196.16 (37,634.99)	Nil (Nil)
(i)	Holding Company has Mortgaged its Land and proposed additions to the Hotel Building at Bhubaneswar in favour of a Bank on behalf of an Associate Company.	799.68 (799.68)	Nil (Nil)	Nil (Nil)

*Relatives of Key Management Personnel: Mrs. Vidya V. Kamat (wife of Dr. Vithal V. Kamat and mother of Mr. Vikram V. Kamat), Mr. Vishal V Kamat (Son of Dr. Vithal V. Kamat and brother of Mr. Vikram V. Kamat) and Ms. Vidita Kamat (daughter of Dr. Vithal V. Kamat)

** Figures in brackets are for previous year.

(j) **Statement of Material Transactions :**

(₹ In Lakhs)

Name of Related Party	YEAR ENDED 31ST MARCH, 2017	YEAR ENDED 31ST MARCH, 2016
Specified Companies:		
Plaza Hotels Private Limited		
- Fees paid towards hotel property under Business Contract Agreement	**93.63**	89.39
- Deposit paid Under Business Contract Agreements for hotels	**8,000.00**	8,000.00
- Amounts Payable	**130.94**	45.99
- Corporate Guarantee provided by the above for securing loans taken by the Group	**32,181.78**	37,842.61
- Undertaking given towards repayment of Loan	**183.72**	1,837.92
- Joint Corporate Guarantee issued to Banks/Lenders on behalf a holding company as per CDR obligations with other Associate Companies	**36,196.16**	37,634.99
- Unsecured Loans taken during the year by Associate Companies	**Nil**	29.00
- Loan repaid during the year by Associate Companies	**19.00**	10.00
- Balance at the year end with Associate Companies	**Nil**	19.00
Kamats Holiday Resorts (Silvassa) Limited		
- Joint Corporate Guarantee issued to Banks/Lenders on behalf a holding company as per CDR obligations with other Associate Companies	**36,196.16**	37,634.99
Talent Hotels Private Limited	**Nil**	Nil
- Undertaking given towards repayment of Loan	**2,375.26**	2,375.26
Vits Hotels (Bhubaneshwar) Private Limited.		
- Share Application money Refunded during the year	**Nil**	Nil
Treeo Resort Private Limited		
- Sale of old used Fixed Assets and miscellaneous items of circulating stock and stores	**2.44**	13.44
- Rent paid for Restaurant Premises	**Nil**	8.86
- Security Deposit Recovered during the year	**Nil**	2.25
- Security Deposit given balance at the year end	**Nil**	Nil
- Amounts Receivable	**42.08**	13.44

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(j) **Statement of Material Transactions :**

(₹ In Lakhs)

Name of Related Party	YEAR ENDED	
	31ST MARCH, 2017	31ST MARCH, 2016
Venketesh Hotels Private Limited		
- Loan repaid during the year by Associate Companies	**55.01**	Nil
- Unsecured Loans taken during the year by Associate Companies	**32.20**	Nil
- Amounts Receivable	**32.20**	Nil
Jointly Controlled Entity		
Ilex Developers & Resorts Limited		
'- Sale of Goods & Services	**6.27**	Nil
- Security Deposit taken, balance at year end	**53.66**	Nil
- Amounts Payable	**1.21**	Nil
- Corporate Guarantee issued to a Bank on behalf of Jointly controlled entity	**1000.00**	Nil
- Equitable mortgage of Immovable property in favour of Bank of behalf of Jointly Controlled Entity	**799.68**	Nil
- Joint Corporate Guarantee issued to Banks/Lenders on behalf a holding company as per CDR obligations with other Associate Companies	**36,196.16**	Nil
Key Management Personnel and relatives:		
Dr. Vithal V. Kamat		
- Remuneration (Refer Note. 25.2)	**105.60**	105.62
- Royalty paid for brand	**5.87**	12.51
- Personal Guarantee provided by him for securing loan taken by the Group	**48,654.31**	70,645.65
- Joint Personal Guarantee issued to Banks/Lenders on behalf of Holding Company as per CDR obligations with executive Director	**36,196.16**	37,634.99
- Amounts Payable	**14.79**	Nil
Mrs. Vidya V. Kamat		
- Personal Guarantee Provided	**1,894.70**	1,894.70
Mr. Vishal V. Kamat		
- Remuneration	**29.01**	29.01
- Personal Guarantee provided by him for securing loan taken by the Group	**2,500.00**	2,500.00
Mr. Vikram V. Kamat		
- Personal Guarantee provided by him for securing loan taken by the Group	**10,103.14**	28,615.95
- Joint Personal Guarantee issued to Banks/Lenders on behalf of Holding Company as per CDR obligations	**36,196.16**	37,634.99
Ms. Vidita Kamat		
- Consultancy Fees	**4.05**	Nil

33 Leases

The Group significant leasing arrangements are in respect of operating leases for premises. These leasing arrangements, which are not non-cancelable, range between eleven months and Nine years generally or longer and are usually renewable by mutual consent on mutually agreeable terms.

The aggregate lease rentals payable are charged as rent and aggregate licence fees income from shops and other spaces on leave and licence basis are shown as Licence Fees.

Future commitments in respect of minimum lease payments payable for non-cancelable operating leases (other than land) entered into by the Company:

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakhs)

Particulars	YEAR ENDED	
	31ST MARCH, 2017	31ST MARCH, 2016
Payable within one year -	**49.61**	53.90
Payable later than one year but not later than five years -	**115.42**	167.14
Payable after five years -	**283.54**	306.44

The Company also has given shops and other spaces on Leave and Licence basis in respect of which future minimum licence fees receipts expected:

(₹ in Lakhs)

Particulars	YEAR ENDED	
	31ST MARCH, 2017	31ST MARCH, 2016
Receivable within one year -	**295.37**	300.97
Receivable later than one year but not later than five years -	**295.42**	391.23

33.1 The Holding Company has given a portion of its hotel buildings at the Orchid, Mumbai and VITS, Mumbai to party to conduct, operate and manage the banquet halls and restaurant under lease agreements in the previous year. The Company is entitled to a fixed fee of seven percent of the annual turnover of the banquet halls and restaurant. The Company has received the fee of ₹ 120.74 lakhs (Previous Year ₹ 96.79 lakhs) for the year which is included in Note 22.

34 The Holding Company has borrowed funds in earlier years from banks, financial institutions and NBFCs. Due to financial crisis faced by economic slow down and other factors, a Corporate Debt Restructuring (CDR) package was sanctioned to it but the obligations agreed therein could not be fulfilled by the Company. Due to failure of the CDR mechanism in earlier year, the lenders issued notices Under Section 13(2) of the (The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002) and recalled the entire loan dues. The Company has disputed the same. One of the lenders (original lender) filed suit for recovery of the entire dues wherein another lender intervened, which is presently pending before the Bombay High Court and the Company has disputed the claim. In the meantime, the original lender assigned its loan to an asset management company during the year. In terms of interim orders passed by the High Court, the Company has been depositing proceeds of its credit card collections with the Prothonotary & Senior Master of the High Court which aggregated to ₹ 6,231.41 lakhs (Previous year ₹ 3.050.24 Lakhs) till 31st March, 2017. Final adjustment will be made on disposal of the legal case. Reference is invited to Notes 4.5 regarding disputed interest and charges aggregating to ₹ Nil (Previous year ₹ 704.25 lakhs), which have not been provided in the accounts.

35 The Holding Company has incurred losses in the previous year as well as in earlier years and its accumulated losses as at 31st March, 2017 are in excess of its paid up Capital and Reserves and Surplus. Some of the lenders have recalled their loans. However, the Company has earned profits during the year and considering the future business prospects, the fact that majority of lenders have assigned their loans to asset reconstruction companies and have approved One Time Settlements (OTS) through which, major part of the loans has been re-structured and that the fair values of the assets of the Company are far more than the liabilities, the financial statements have been prepared on a going concern basis.

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

36 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiaries and Joint Venture :

Name of the Enterprise	Net Assets i.e. total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	(₹ in Lakhs)	As % of consolidated profit or loss	(₹ in Lakhs)
Parent				
Kamat Hotels (India) Limited	-116.43%	(7,110.08)	91.12%	4,057.68
Subsidiaries				
Orchid Hotels Pune Private Limited	-63.26%	(3,863.00)	-13.83%	(615.79)
Kamats Restaurants (India) Private Limited	0.01%	0.44	0.00%	(0.13)
Mahodadhi Palace Private Limited	-12.79%	(780.80)	-2.46%	(109.43)
Fort Jadhavgadh Hotels Private Limited	-0.01%	(0.44)	0.00%	(0.09)
Green Dot Restaurants Private Limited	0.51%	31.44	0.00%	0.14
Joint Venture(as per proportionate consolidation)				
Ilex Developers & Resorts Limited	2.02%	123.44	-2.50%	(111.25)

37 Salient Features of Financial Statements of Subsidiaries / Joint Venture as per Companies Act, 2013

Part "A": Subsidiaries

a) Orchid Hotels Pune Private Limited

(₹ in Lakhs)

	AS AT 31ST MARCH, 2017	AS AT 31ST MARCH, 2016
Reporting Currency	**INR**	INR
Share Capital	**1,176.47**	1,176.47
Reserves and Surplus	**(5,039.48)**	(4,423.69)
Total Assets	**40,218.63**	41,566.42
Fixed Assets (Net Block)	**38,620.58**	39,555.92
Deferred Tax Assets (Net)	**-**	-
Non Current Investments	**0.10**	0.10
Long-Term Loans and Advances	**49.14**	50.60
Current Assets	**1,548.81**	1,959.80
Total Liabilities	**44,081.63**	44,813.64
Long-Term Borrowings	**19,680.50**	19,688.50
Long-Term Provisions	**80.18**	42.30
Current Liabilities	**24,320.95**	25,082.84
Turnover / Total Income	**3,034.43**	3,293.36
Profit / (loss) before Taxation	**(615.79)**	(1,114.22)
Deferred Tax Asset	**-**	2,929.32
Profit / (loss) after Taxation	**(615.79)**	(4,043.55)
Proposed Dividend	**Nil**	Nil
% of Shareholding	**100%**	100%

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

b) Kamats Restaurants (India) Private Limited

(₹ in Lakhs)

	AS AT 31ST MARCH, 2017	AS AT 31ST MARCH, 2016
Reporting Currency	**INR**	INR
Share Capital	**1.00**	1.00
Reserves and Surplus	**(0.56)**	(0.43)
Total Assets	**0.47**	0.60
Other Non-Current Assets	**0.06**	0.08
Current Assets	**0.41**	0.51
Total Liabilities	**0.03**	0.03
Long-Term Borrowings	**-**	-
Current Liabilities	**0.03**	0.03
Turnover / Total Income	**Nil**	Nil
Profit / (loss) before Taxation	**(0.13)**	(0.08)
Deferred Tax Asset	**Nil**	Nil
Profit / (loss) after Taxation	**(0.13)**	(0.08)
Proposed Dividend	**Nil**	Nil
% of Shareholding	**100%**	100%

c) Mahodadhini Palace Private Limited

(₹ in Lakhs)

	AS AT 31ST MARCH, 2017	AS AT 31ST MARCH, 2016
Reporting Currency	**INR**	INR
Share Capital	**1.00**	1.00
Reserves and Surplus	**(781.80)**	(672.37)
Total Assets	**1,896.36**	1,934.05
Fixed Assets (Net Block)	**1,833.50**	1,877.94
Deferred Tax Asset (Net)	**-**	-
Other Non-Current Assets	**19.11**	0.07
Long-Term Loans and Advances	**8.66**	6.79
Current Assets	**35.08**	49.25
Total Liabilities	**2,677.16**	2,605.43
Other Long-Term Liabilities	**2,287.46**	2,034.57
Deferred Tax Asset (Liabilities)	**281.51**	330.43
Current Liabilities	**108.19**	240.42
Turnover / Total Income	**36.80**	37.53
Profit / (loss) before Taxation	**(158.35)**	(161.52)
Deferred Tax Asset	**(48.92)**	386.15
Profit / (loss) after Taxation	**(109.43)**	(547.67)
Proposed Dividend	**Nil**	Nil
% of Shareholding	**100%**	100%

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

d) Fort Jadhavgadh Hotels Private Limited

(₹ in Lakhs)

	AS AT 31ST MARCH, 2017	AS AT 31ST MARCH, 2016
Reporting Currency	**INR**	INR
Share Capital	**1.00**	1.00
Reserves and Surplus	**(1.44)**	(1.35)
Total Assets	**0.17**	0.10
Other Non-Current Assets	**0.02**	0.03
Current Assets	**0.14**	0.07
Total Liabilities	**0.61**	0.45
Long-Term Borrowings	**0.56**	0.42
Current Liabilities	**0.05**	0.04
Turnover / Total Income	**0.04**	Nil
Profit / (loss) before Taxation	**(0.09)**	(0.04)
Deferred Tax Asset	**Nil**	Nil
Profit / (loss) after Taxation	**(0.09)**	(0.04)
Proposed Dividend	**Nil**	Nil
% of Shareholding	**100%**	100%

e) Green Dot Restaurants Private Limited

(₹ in Lakhs)

	AS AT 31ST MARCH, 2017	AS AT 31ST MARCH, 2016
Reporting Currency	**INR**	INR
Share Capital	**1.00**	1.00
Reserves and Surplus	**30.44**	30.30
Total Assets	**34.05**	34.38
Other Non-Current Assets	**0.02**	-
Current Assets	**34.03**	34.38
Total Liabilities	**2.61**	3.08
Long-Term Provisions	**0.03**	0.02
Current Liabilities	**2.58**	3.07
Turnover / Total Income	**0.28**	-
Profit / (loss) before Taxation	**0.13**	(0.22)
Current Tax	**0.01**	-
Profit / (loss) after Taxation	**0.14**	(0.22)
Proposed Dividend	**Nil**	Nil
% of Shareholding	**100%**	100%

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Part "B" : Joint Venture

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Joint Venture

(₹ in Lakhs)

	AS AT 31ST MARCH, 2017	AS AT 31ST MARCH, 2016
Latest audited Balance Sheet Date	**31.03.2017**	31.03.2016
No. of Shares held by the year end	**2,66,500**	2,66,500
Amount of Investment in Joint Venture (₹)	**533.00**	533.00
Extent of Holding %	**32.92%**	32.92%
Networth attributable to Shareholding as per latest audited Balance Sheet	**123.44**	234.69
Profit/Loss for the year (₹)		
- Considered in Consolidation	**(111.25)**	(149.87)
- Not Considered in Consolidation	**(226.69**	(305.39)
Description of how there is significant influence	**32.92% shareholding**	
Reason why the joint venture is not consolidated	**Not applicable**	

38 In respect of Jointly Controlled Entity, the Holding Company's share of assets, liabilities, income and expenditure of the joint venture company are as follows:

(₹ in Lakhs)

	AS AT 31ST MARCH, 2017	AS AT 31ST MARCH, 2016
(i) Assets		
Fixed Assets	**738.87**	788.67
Long Term Loans and Advances	**16.39**	30.38
Other Non-Current Assets	**30.38**	0.01
Current Assets	**174.63**	167.73
(ii) Liabilities		
Reserves and Surplus	**96.79**	208.04
Long Term Borrowings	**712.62**	33.25
Long Term Provisions	**6.08**	5.63
Current Liabilities	**118.14**	713.22
(iii) Income	**268.59**	224.78
(iv) Expenses	**379.84**	307.47

39 Figures of the previous year have been regrouped /reclassified wherever necessary to conform to the Current year's presentation.

As per our report of even date

For and on behalf of Board of Directors

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

J. G. Verma
Partner
Membership No. 5005

Mumbai : 26th May, 2017

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

S.S.Thakur
Director
(DIN : 00001466)

Bipinchandra C. Kamdar
Director
(DIN : 01972386)

Amit Vyas
Company Secretary

Smita Nanda
Chief Financial Officer

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 Fax No. 022 26164203; Email : cs@khil.com 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 30th Annual general meeting of the Company, to be held on the 22nd day of September, 2017 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:

Sr. No.	Resolutions	Optional *	
		For	Against
	Ordinary Business		
1	Adoption of Audited financial statements (Standalone & Consolidated) for the year ended on 31st March, 2017 and Reports of the Board and Auditors thereon.		
2	Re-appointment of Mr. Bipinchandra C. Kamdar who retires by rotation.		
3	Appointment of new Auditors in place of retiring auditors and fix their remuneration.		
	Special Business		
4	Appointment of Mr. S. S. Thakur as an Independent Director.		
5	Approval for increase in remuneration of Mr. Vishal V. Kamat, CEO of Fort Jadhavgadh		
6	Fees for delivery of any document		

Signed this …… day of …….. 2017

Signature of Shareholder : …….....……..

Signature of Proxy holder(s) : …….....……..

Affix Revenue Stamp

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.

NOTES

NOTES

Financial Highlights of the Company (Standalone)

₹ in lakhs

Particulars	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008	2006-2007
Income from operations	15,667.34	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	11,192.98
Other Income	785.47	731.65	599.34	2,273.30	2,455.29	2,229.04	257.56	1,082.76	644.22	505.93	89.81
Total Income	16,452.81	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	11,282.79
Total Expenditure	14,225.15	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	8,274.65
Profit/(Loss) Before Tax	2,227.66	(553.14)	(6,469.57)	(24,810.60)	(916.65)	18.61	506.01	64.48	988.01	4,369.59	3,008.14
Taxation	11.20	(117.17)	(553.88)	(1,549.91)	(350.26)	(80.58)	349.10	(74.20)	421.92	1,628.93	949.94
Profit/(Loss) After Tax	4,057.68	(8,528.27)	(5,915.69)	(23,260.69)	(566.39)	99.19	137.32	138.68	566.09	2,740.66	2,058.20
Equity Share Capital	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	1,378.59
Reserves and Surplus	(9,527.34	(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	12,547.95
Net-worth	(7,404.01)	(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	13,926.54
Earning per Share (Rs.)	17.21	(36.16)	(25.08)	(111.67)	(2.97)	0.62	0.96	1.05	2.99	21.63	15.60
Book Value per Share (Rs.)	(31.39)	(48.54)	(12.44)	15.02	127.36	130.32	127.25	125.13	124.07	122.72	105.52
Return on Net Worth (percentage)	NA	NA	NA	(656.66)	(2.33)	0.40	0.72	0.84	3.44	16.87	14.78
Dividend	--	--	--	--	--	--	--	--	12%	30%	25%

The Orchid Hotel - Mumbai
Email: res@orchidhotel.com | Phone: +91-22-26164000 | Fax: +91-22-26164141
www.orchidhotel.com/mumbai-vile-parle/

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Email: resv@orchidhotelpune.com | Phone: +91 20679 14040
www.orchidhotel.com/pune/

Fort JadhavGADH
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www.fortjadhavgadh.com

Mahodadhi Palace
Email: info@mahodadhipalace.com | Phone: +91 6752 220 440 | 91 6752 220 880
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Lotus Resorts Goa
Email: resvgoa@lotusresorthotels.com | Phone: +91 832 277 1175 | +91 832 277 1176
www.lotusresorthotels.com/beach-resort-goa/

Lotus Resorts Konark
Email: fokonark@lotusresorthotels.com | Phone: +91 90900 93464
www.lotusresorthotels.com/eco-resort-konark/

VITS Mumbai
Email: resvmumbai@khil.com | Phone: +91 22 2827 0707 | +91 22 6151 7555
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KAMAT HOTELS (INDIA) LIMITED

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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