KAMAT HOTELS (INDIA) LIMITED

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

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

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

Date: 5th August, 2019

Dear Sirs,

Sub: Outcome of Board Meeting.

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the said Regulations") we hereby inform you that the Board of Directors of the Company at their meeting held today i.e. 5th August, 2019 have inter-alia accorded their approval for the following matters:

1. **Unaudited Standalone and Consolidated Financial Results for the quarter ended 30th June, 2019.**

Pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the following:

i) Unaudited Standalone and Consolidated Financial Results for the quarter ended 30th June, 2019.
ii) Limited Review Report of the Standalone and Consolidated financial results issued by the Statutory Auditors of the Company.

2. Approved notice calling 32nd Annual General Meeting of the Company.

The Meeting commenced at 12.15 p.m. and concluded at 1.58 p.m.

You are requested to take the above on record.

Thanking You,
Yours faithfully,
For Kamat Hotels (India) Limited

KAMAT HOTELS (I) LTD. MUMBAI

S. Bhaskar

Shailesh Bhaskar
Company Secretary & Compliance Officer
Encl. a/a.

N. A. SHAH ASSOCIATES LLP
Chartered Accountants

ORIGINAL

Limited Review Report on the quarterly unaudited standalone financial results of Kamat Hotels India Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

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

1. We have reviewed the accompanying Statement of unaudited standalone financial results ("the Statement") of Kamat Hotels India Limited ('the Company') for the quarter ended 30th June, 2019, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) which has been initialed by us for identification purpose.

Management responsibility for the Statement

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

Auditor's responsibility

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

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

Conclusion

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

Material uncertainty related to going concern

5. Reference is invited to note 3 of the notes to the unaudited standalone financial results. Company's accumulated losses are in excess of its paid up capital and other equity and, its current liabilities exceed its current assets as on 30th June, 2019. Further, in respect of loans, there are delays in repayment of principal during the quarter and overdue instalments of Rs. 9.71 crore as at 30th June, 2019. We are informed that the Company's management is taking appropriate steps to mitigate the impact of accumulated losses and improve cash flows and in the opinion of the management, the fair values of the assets of the Company are significantly higher than the borrowings / debts. In view of the above and considering management's opinion, the standalone financial results have been prepared on a going concern basis for the reasons stated in the said note.

N. A. SHAH ASSOCIATES LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

N. A. Shah Associates LLP is registered with limited liability having LLP identification No. AAG-7909
B 41-45, Paragon Centre, Pandurang Budhkar Marg, Worli, Mumbai 400 013.
Tel.: 91-22-40733000 ● Fax : 91-22-40733090 ● E-mail : info@nashah.com

Limited Review Report on the quarterly unaudited standalone financial results of Kamat Hotels India Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (continued...)

Our conclusion is not modified in respect of above matter. In respect of above matter, attention was also drawn by us in limited review reports of quarters of earlier years and in our independent auditor's report for the year ended 31st March, 2019 dated 27th May, 2019 and year ended 31st March, 2018 dated 28th May, 2018. Our conclusion was not modified in respect of above matter in earlier quarters / years.

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

N. A. SHAH ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

Sandeep Shah
Partner
Membership number: 37381
UDIN: 19037381AAAABW5111

Place: Mumbai
Date: 05 AUG 2019

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

Statement of standalone financial results for the quarter ended 30th June, 2019

(Rupees in lakhs)

Sr. No.	Particulars	Quarter ended 30th June, 2019 Unaudited	Quarter ended 31st March, 2019 Unaudited	Quarter ended 30th June, 2018 Unaudited	Year ended 31st March, 2019 Audited
1	**Income**				
	(a) Revenue from operations	4,334.08	5,489.59	4,305.92	19,239.08
	(b) Other income	19.30	85.52	37.54	180.19
	Total income	4,353.38	5,575.11	4,343.46	19,419.27
2	**Expenses**				
	(a) Consumption of food and beverages	413.58	476.51	428.74	1,760.37
	(b) Employee benefits expense	1,176.08	1,087.41	1,079.58	4,430.89
	(c) Finance cost	544.46	531.69	590.11	2,203.26
	(d) Depreciation and amortisation expense	277.13	267.83	273.99	1,095.82
	(e) Other expenses				
	(i) Heat, light and power	343.46	290.94	297.26	1,193.87
	(ii) Others	1,184.89	1,365.71	1,185.52	5,152.81
	Total expenses	3,939.60	4,020.09	3,855.20	15,837.02
3	**Profit for the period / year before tax [1-2]**	413.78	1,555.02	488.26	3,582.25
4	**Tax expense**				
	Current tax	147.96	99.87	-	99.87
	Short provision of income tax for earlier period / year	-	-	0.67	0.67
	Deferred tax - charge / (credit) for current period / year	(24.39)	353.84	143.16	944.78
	Deferred tax - charge / (credit) for previous year	-	-	-	29.97
	Total tax expenses	123.57	453.71	143.83	1,075.29
5	**Profit for the period / year [3-4]**	290.21	1,101.31	344.43	2,506.96
6	**Other comprehensive income**				
	Items that will not be reclassified to profit or loss				
	(i) Remeasurement of defined benefit plans - gain / (loss)	8.73	(17.58)	(19.51)	6.43
	(ii) Income taxes effect on above	(2.54)	5.12	5.68	(1.87)
	Total other comprehensive income	6.19	(12.46)	(13.83)	4.56
7	**Total comprehensive income for the period / year [5+6]**	296.40	1,088.85	330.60	2,511.52
8	Paid-up equity share capital (including forfeited shares) (Face value per share of Rs. 10/- each)	2,417.26	2,417.26	2,417.26	2,417.26
9	Reserve excluding revaluation reserves	-	-	-	(5,149.28)
10	Earnings per share (Face value per share of Rs. 10/- each)				
	(a) Basic (Rs.)	1.23	4.67	1.46	10.63
	(b) Diluted (Rs.)	1.23	4.67	1.46	10.63

Notes:

1 The above unaudited standalone financial results for the quarter ended 30th June, 2019 have been reviewed by the Audit Committee and are approved by the Board of Directors of the Company at its meeting held on 5th August, 2019. The Statutory auditors have carried out a limited review of the above unaudited standalone financial results.

2 The above unaudited standalone financial results have been prepared in accordance with guidelines issued by Securities and Exchange Board of India ('SEBI') and the Indian Accounting Standards [Ind AS] prescribed under section 133 of the Companies Act, 2013. Effective 1st April, 2019, the Company has applied Ind AS 116 'Leases' using the modified retrospective approach as per para C8(c)(ii) of Ind AS 116, accordingly, there is no impact in opening retained earnings and right of use assets (amount equivalent to the lease liability) of Rs.108.34 lakhs has been recognised as at 1st April, 2019. In the unaudited standalone results for the current quarter, the nature of expenses in respect of operating leases has changed from lease rent in previous period to depreciation for the right to use asset and finance cost for interest accrued on lease liability. On account of adoption of Ind AS 116, there is no significant impact on the profit for the current quarter.

3 As per the unaudited standalone financial results, the Company's accumulated losses as at 30th June, 2019 are in excess of its paid up capital & other equity and its current liabilities exceed the current assets as on that date. Further, in respect of loans, there are delays in repayment of principal and overdue instalments as at 30th June, 2019. In the opinion of the management, considering the future business prospects, and the fact that the fair values of the assets of the Company are significantly higher than the borrowings / debts, their standalone financial results have been prepared on a going concern basis which contemplates realisation of assets and settlement of liabilities in the normal course of the Company's business. The statutory auditors have drawn reference of above matter in their report on the unaudited standalone financial results for the quarter ended 30th June, 2019. Further, reference was also drawn by the auditors in their report for the quarter and year ended 31st March, 2019 and in earlier quarters / earlier year.

4 During the current quarter, Company's one hotel property in Orissa has been affected due to 'Cylcone Fani'. Net block of assets destroyed is Rs. Nil as on 30th June, 2019. The Company has filed the insurance claim and received partial amount as advance; however, pending final approval, insurance claim made of Rs. 6.19 crore is not recognised as revenue in current quarter.

5 The Company is operating only in the hospitality service segment, therefore, disclosures of segment wise information is not applicable.

6 In view of seasonality of the sector, the financial results for the quarter are not indicative of full year's expected performance.

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

KAMAT HOTELS INDIA LTD
MUMBAI

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

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

Place: Mumbai
Date: 5th August 2019

N. A. SHAH ASSOCIATES LLP
Chartered Accountants

ORIGINAL

Limited Review Report on the quarterly unaudited consolidated financial results of Kamat Hotels India Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

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

1. We have reviewed the accompanying statement of unaudited consolidated financial results of Kamat Hotels (India) Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), and its share of the net profit / (loss) after tax and total comprehensive income / (loss) of its joint venture for the quarter ended 30th June, 2019, ('the Statement'), being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended) read with SEBI Circular No. CIR/CFD/CMDI/44/2019 dated 29th March, 2019.

   Attention is drawn to the fact that in terms of the requirement of the above referred circular, consolidated unaudited figures for the corresponding quarter ended 30th June, 2018 and quarter ended 31st March, 2019 have been approved by the Holding Company's Board of Directors, but have not been subject to limited review. Also refer note 3(b) of the Statement for the quarter ended 30th June, 2019.

Management's responsibility for the Statement

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

Auditor's responsibility

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

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

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

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

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

N. A. SHAH ASSOCIATES LLP * CHARTERED ACCOUNTANTS * MUMBAI

Limited Review Report on the quarterly unaudited consolidated financial results of Kamat Hotels India Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (continued...)

5. **Basis of qualified conclusion**

In respect of subsidiary company ('OHPPL'), reference is invited to note 5(i) to the Statement. As against the lender's (International Asset Reconstruction Private Limited ('IARC')) claim upto 24th December, 2018 of Rs. 42,110.91 lakhs, the liability as per the books is only Rs. 18,833.99 lakhs (this amount includes interest liability accounted in books upto 30th September 2013). In previous year, IARC had acquired this loan on assignment from Asset Reconstruction Company India Limited ('ARCIL') at a consideration of Rs.13,500 lakhs. Interest has not been provided from 1st October 2013 till 30th June, 2019. In our view, the same is not in compliance with Ind AS 23 - Borrowing Cost. In the opinion of the management, no further liability for interest is required to be accounted considering the negotiations for settlement of the loan (including interest) is under process and management's expectation that settlement amount would not be higher than the amounts already recorded in the books. Further, the change in claim, if any, by the lender from 25th December, 2018 till 30th June, 2019 has not been considered above.

Had the provision been made based on the claim made by the lender, borrowing cost and the negative net worth as at 30th June, 2019 would increase by the amount of difference in liability as stated above plus the interest from 25th December 2018 upto 30th June, 2019, both of which have not been provided as per management's view mentioned above.

In respect of above matter, qualification was also given in our independent auditor's report for the year ended 31st March, 2019 dated 27th May, 2019 and year ended 31st March, 2018 dated 28th May, 2018.

6. **Qualified conclusion**

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

7. **Material uncertainty related to going concern**

Attention is invited to note 4, 5(ii) and 6 to the unaudited consolidated financial results, which indicates that there, is material uncertainty related to continuity as going concern of the Holding Company, OHPPL (subsidiary company), MPPL (subsidiary company) respectively and note 7 related to material uncertainty related to going concern at Group level. In consolidated financial results, material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern on account of accumulated losses, negative net worth and negative working capital in Holding company and two subsidiaries as mentioned in those notes. For preparation of standalone financials results of Holding company and two subsidiaries, going concern assumption is considered appropriate by the management as appropriate steps are being taken to mitigate the impact of accumulated losses and improve the cash flows as mentioned in note 4, 5(ii) and 6 to the Statement and also fair value of the assets of Holding company are significantly higher than the borrowing/debts. In view of the above and in the opinion of management, the consolidated financial results of the Group have also been prepared on a going concern basis.

Our conclusion is not modified in respect of above matter. In respect of above, attention was also drawn by us in our report for the year ended 31st March, 2019 dated 27th May, 2019 and year ended 31st March, 2018 dated 28th May, 2018. Our conclusion was not modified in previous years also.

N. A. SHAH ASSOCIATES LLP * CHARTERED ACCOUNTANTS * MUMBAI

Limited Review Report on the quarterly unaudited consolidated financial results of Kamat Hotels India Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (continued...)

8. **Emphasis of Matter**

In respect of subsidiary company (OHPPL), attention is invited to note 5(iii) to the unaudited consolidated financial results regarding dispute over lease rent payable to government agency. Pending outcome of the dispute, subsidiary company has accounted for the liability amounting to Rs. 1,211.82 lakhs for the period from 1st November, 2014 to 30th June, 2019; however, the same has not been paid. As per the management, interest / penalty, if any, will be accounted in the year in which dispute will be resolved.

Our conclusion is not modified in respect of above matter. In respect of above, attention was also drawn by us in our report for the year ended 31st March, 2019 dated 27th May, 2019 and year ended 31st March, 2018 dated 28th May, 2018. Our conclusion was not modified in previous years also.

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

N. A. SHAH ASSOCIATES LLP
MUMBAI
CHARTERED ACCOUNTANTS

Sandeep Shah
Partner
Membership number: 37381
UDIN: 19037381AAAABX8213

Place: Mumbai
Date: 05 AUG 2019

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

Statement of consolidated financial results for the quarter ended 30th June, 2019

(Rupees in lakhs)

Sr. No.	Particulars	Quarter ended 30th June, 2019 Unaudited	Quarter ended 31st March, 2019 Unaudited [Refer note 3(b)]	Quarter ended 30th June, 2018 Unaudited [Refer note 3(b)]	Year ended 31st March, 2019 Audited
1	**Income**				
	(a) Revenue from operations	5,331.99	6,709.28	5,280.04	23,609.00
	(b) Other income	24.59	91.24	44.23	211.35
	Total income	5,356.58	6,800.52	5,324.27	23,820.35
2	**Expenses**				
	(a) Consumption of food and beverages	530.67	606.50	551.22	2,260.80
	(b) Employee benefits expense	1,455.58	1,403.99	1,377.05	5,539.06
	(c) Finance cost	615.03	533.16	590.15	2,205.07
	(d) Depreciation and amortisation expense	468.11	462.56	447.68	1,834.11
	(e) Other expenses				
	(i) Heat, light and power	459.46	367.80	425.85	1,619.79
	(ii) Others	1,512.83	1,926.40	1,564.47	6,990.74
	Total expenses	5,041.68	5,300.41	4,956.42	20,449.57
3	**Profit before share of profit / (loss) of joint venture, exceptional items and tax [1-2]**	314.90	1,500.11	367.85	3,370.78
4	Share of profit / (loss) from joint venture accounted for using equity method	(9.65)	11.00	(1.16)	28.93
5	**Profit before exceptional items and tax [3+4]**	305.25	1,511.11	366.69	3,399.71
6	Exceptional items - income / (expense) - net (Refer note 8)	-	-	-	(634.44)
7	**Profit for the period / year before tax [5+6]**	305.25	1,511.11	366.69	2,765.27
8	**Tax expense**				
	Current tax	147.96	100.03	0.01	100.01
	MAT credit availed	-	(0.13)	(0.01)	(0.11)
	Short provision of income tax for earlier period / year	-	-	0.67	0.67
	Deferred tax - charge / (credit) for current period / year	(75.29)	361.03	130.27	946.17
	Deferred tax - charge / (credit) for previous year	-	-	-	29.97
	Total tax expenses	72.67	460.93	130.94	1,076.71
9	**Profit for the period / year [7-8]**	232.58	1,050.18	235.75	1,688.56
10	**Other comprehensive income**				
	Items that will not be reclassified to profit or loss				
	(i) Remeasurement of defined benefit plans - gain / (loss)	8.50	(16.82)	19.02	4.84
	(ii) Income taxes effect on above	(2.54)	5.12	(5.68)	(1.87)
	Total other comprehensive income	5.96	(11.70)	13.34	2.97
11	**Total comprehensive income for the period / year [9+10]**	238.54	1,038.48	249.09	1,691.53
12	**Total comprehensive income for the period / year attributable to:**				
	(a) To owner of parent	238.54	1,038.48	249.09	1,691.53
	(b) To non controlling interest	-	-	-	-
13	**Out of total comprehensive income for the period / year:**				
	Profit for the year attributable to:				
	(a) To owner of parent	232.58	1,050.18	235.03	1,688.56
	(b) To non controlling interest	-	-	-	-
	Other comprehensive income attributable to:				
	(a) To owner of parent	5.96	(11.70)	13.34	2.97
	(b) To non controlling interest	-	-	-	-
14	Paid-up equity share capital (including forfeited shares) (Face value per share of Rs. 10/- each)	2,417.26	2,417.26	2,417.26	2,417.26
15	Reserve excluding revaluation reserves	-	-	-	(17,201.15)
16	Earnings per share (Face value per share of Rs. 10/- each)				
	(a) Basic (Rs.)	0.99	4.45	1.00	7.16
	(b) Diluted (Rs.)	0.99	4.45	1.00	7.16

Notes:

1 The above unaudited consolidated financial results for the quarter ended 30th June, 2019 have been reviewed by the Audit Committee and are approved by the Board of Directors of the Holding Company at its meeting held on 5th August, 2019. The Statutory auditors have carried out a limited review of the above unaudited consolidated financial results.

2 (a) The above unaudited financial results have been prepared in accordance with guidelines issued by Securities and Exchange Board of aIndia ('SEBI') and the Indian Accounting Standards [Ind AS] prescribed under section 133 of the Companies Act, 2013.

(b) Effective 1st April 2019 (transition date), the Group has applied Ind AS 116 'Leases' using the modified retrospective approach. The group has recognised Right-of-use asset (ROU) at an amount equivalent to the lease liability of Rs. 1,883.20 lakhs (Rs. 108.34 lakhs in standalone financial results). The comparatives for the year ended 31st March 2019 have not been retrospectively adjusted. In the unaudited consolidated results for the current quarter, the nature of expenses in respect of operating lease has changed from lease rent in previous period to depreciation on ROU and finance cost for interest accrued on lease liability. On account of adoption of Ind AS 116, there is no significant impact on the profit for the current quarter.

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

KAMAT HOTELS INDIA LTD
MUMBAI

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

Statement of consolidated financial results for the quarter ended 30th June, 2019

3 (a) The unaudited consolidated financial results for the quarted ended 30th June, 2019 and previous periods / previous year include unaudited financial results in respect of following entities: Wholly owned subsidiary companies (a) Orchid Hotels Pune Private Limited (OHPPL), (b) Fort Jadhavgadh Hotels Private Limited (FJHPL), (c) Mahodadhi Palace Private Limited (MPPL), (d) Orchid Hotel Eastern (India) Private Limited (OHEIPL), (e) Kamats Restaurants (India) Private Limited (KRIPL) and one Joint venture company - Ilex Developers & Resorts Limited (IDRL).

(b) The consolidated figures for the corresponding quarter ended 30th June, 2018 and for the quarter ended 31st March, 2019 are approved by the Board of Directors and have not been subjected to limited review by the auditors. The consolidated unaudited figures for the quarter ended 31st March, 2019 are the balancing figures between the audited figures in respect of the full financial year upto 31st March, 2019 and the unaudited year to date figure upto the third quarter of the previous financial year.

4 The Holding Company's accumulated losses as at 30th June, 2019 are in excess of its paid up capital & other equity and its current liabilities exceed the current assets as on that date. Further, in respect of loans, there are delays in repayment of principal and overdue instalments as at 30th June, 2019. In the opinion of the management, considering the future business prospects, and the fact that the fair values of the assets of the Holding Company are significantly higher than the borrowings / debts, their financials have been prepared on a going concern basis which contemplates realisation of assets and settlement of liabilities in the normal course of its business. The statutory auditors have drawn reference of above matter in their report on the unaudited standalone financial results for the quarter ended 30th June, 2019. Further, reference was also drawn by the auditors in their report for the quarter and year ended 31st March, 2019 and in earlier quarters / earlier year.

5 In subsidiary company (OHPPL),
(i) During the previous year, M/s Asset Reconstruction Company India Limited (ARCIL) [lender to whom loan was assigned by ICICI Bank in earlier years], reassigned the loan to Internatinal Asset Reconstruction Company Private Limited (IARC) for an aggregate amount of Rs. 13,500.00 lakhs. As per the assignment agreement, total amount due from the subsidiary company upto 24th December, 2018 was Rs. 42,110.91 lakhs. As per the books of the subsidiary company, total outstanding towards this loan is Rs. 18,833.99 lakhs (including interest liability accounted in books upto 30th September, 2013). In the opinion of the management, no further liability is required to be accounted based on the amount mentioned in the assignment agreement considering the negotiations for settlement of loan (including interest) is under process and management's expectation that settlement amount would not be higher than the amounts already recorded in the books. Further, the amount of claim by the lender from 25th December, 2018 till 30th June, 2019 has not been quantified. The statutory auditors have issued qualified opinion in their report on the consolidated financial results of the group in respect of above matter for the year ended 31st March, 2019 and 31st March, 2018.

(ii) It has incurred net loss during the quarter ended 30th June 2019, its net worth is fully eroded as of that date and its current liabilities exceeds the current assets as on date. Further, there are defaults in repayment of loans & interest and non-provision of interest as mentioned in para 5(i) above. In view of the above, limited support available from the Holding Company due to its financial constraints and considering provision for impairment of fixed assets made in the earlier year, in the opinion of the management, unaudited financial results are prepared on going concern basis.

(iii) In respect of dispute over lease rent levied by Director of Sports, OHPPL has accounted for the liability amounting to Rs. 1,211.82 lakhs for the period from 1st November, 2014 to 30th June, 2019; however, the same has not been paid pending settlement of arbitration proceedings before Hon'ble Bombay High Court and pending matter in the District Court, Pune. Interest / penalty, if any, will be accounted in the year in which dispute will be resolved.

6 In respect of subsidiary company (MPPL),
Accumulated losses are in excess of its paid up capital and reserves and its current liabilities are exceeding current assets. In the opinion of the management, the financial statements are prepared on going concern basis, considering (a) future prospectus of business from hotel property post expiry of operation and management agreement with Holding Company; (b) fair value of the underlying hotel property; and (c) commitment from the Holding Company for financial support from time to time.

7 In view of the note 4, 5(ii) and 6 and considering management's opinion, the quarterly unaudited consolidated financial results have also been prepared on a going concern basis.
The statutory auditors have drawn the reference in respect of matters covered in note 4, 5(ii), 5(iii) and 6 above in their report for the previous year ended 31st March, 2019 and for the year ended 31st March 2018.

8 Exceptional item for the year ended 31st March, 2019 is Rs. 634.44 lakhs on account of capital advances written off in a subsidiary.

9 During the current quarter, Group's three hotel properties in Orissa have been affected due to 'Cyclone Fani'. In resect of Holding Company, net block of assets destroyed is Rs. Nil as on 30th June, 2019. The Holding Company has filed the insurance claim and received partial amount as advance; however, pending final approval, insurance claim is not recongised as revenue in current quarter. In respect of other two properties, insurance claims are pending to be filed. Out of this, in respect of one property of subsidiary, based on management's assessment, appropriate accounting has been made in standalone and consolidated financial results for the current quarter and in respect of another subsidiary, due to adequte insurance coverage, no accounting is required as on reporting date.

10 The Group is operating only in the hospitality service segment. Therefore, disclosures of segment wise information is not applicable.

11 In view of seasonality of the sector, the financial results for the quarter are not indicative of full year's expected performance.

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

KAMAT HOTELS INDIA LTD MUMBAI

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

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

Place: Mumbai
Date: 5th August 2019