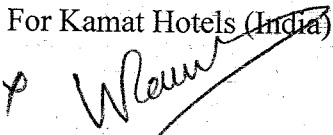
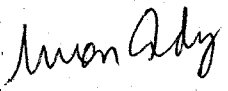
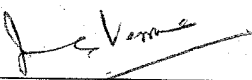
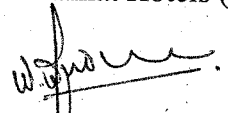
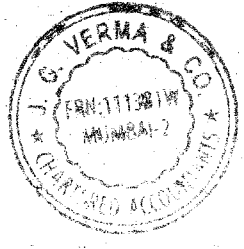


FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1.	Name of the company	Kamat Hotels (India) Limited
2.	Annual financial statements for the year ended	31 st March 2015
3.	Type of Audit observation	Un-qualified / Matter of Emphasis: 1. Note No. 15.1 to the financial statements with regard to investment made and loan and interest receivable from Orchid Hotels Pune Private Limited, a wholly owned subsidiary of the Company and provision of Rs. 23,844.56 lakhs made for doubtful amounts and no provision required for any diminution in the value of investment of Rs. 9,327.75 lakhs in the aforesaid subsidiary. 2. Note 6.5 to the financial statements with regard to non-provision of interest liability of Rs. 530.03 lakhs, in respect of two lenders as the same is disputed by the Company. 3. Note 39 to the financial statement with regard to default in repayment of part of the secured loans dues and failure of CDR mechanism during the year and its impact. 4. Note 40 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 39 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. The Auditors opinion is not qualified in respect of above matters.
4.	Frequency of observation	Whether appeared first time: No / repetitive / since last year.

5.	To be signed by- • CEO/Managing Director • CFO • Auditor of the company • Audit Committee Chairman	For Kamat Hotels (India) Limited  Dr. Vithal V. Kamat Executive Chairman and Managing Director For Kamat Hotels (India) Limited  Mr. Kurian Chandy Chief Financial Officer For J. G. VERMA & CO. Chartered Accountants Registration No. 111381W  J. G. VERMA Partner (Membership No. 5005) For Kamat Hotels (India) Limited  Mr. Dinkar D. Jadhav Director 
----	--	---

Place: Mumbai

Date: 12th August, 2015



28TH ANNUAL REPORT 2014 - 15



THE
ORCHID
— FIVE STAR ECOTEL HOTEL —
FRIENDLY. ECO-FRIENDLY
ECOTEL® - The Emblem of Environmentally Sound Hotels
A Global Green Network Initiative

Mumbai, Maharashtra



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

Mumbai, Maharashtra



Port
Jadhav GADHI
A Gadhi Heritage Hotel
Ladh, Jhagadh, Aage Badh...

Jadhavgadhi, Pune, Maharashtra



LOTUS RESORTS
Chill. Still. Tranquil.

Goa

Financial Highlights of the Company (Standalone)

₹ in lakhs

Particulars	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006	2004-2005
Income from operations	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	8,146.25	5,353.84
Other Income	599.34	2,273.30	2,455.29	2,229.04	257.56	1,082.76	644.22	505.93	89.81	87.83	49.37
Turnover	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	8,234.08	5,403.21
Total Expenditure	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	6,513.15	4,581.46
Profit/(loss) Before Tax	(6,469.57)	(24,810.60)	(916.65)	18.61	506.01	64.48	988.01	4,369.59	3,008.14	1,720.93	821.75
Taxation	(553.88)	(1,549.91)	(350.26)	(80.58)	349.10	(74.20)	421.92	1,628.93	949.94	163.02	411.34
Profit/(loss) After Tax	(5,915.69)	(23,260.69)	(566.39)	99.19	137.32	138.68	566.09	2,740.66	2,058.20	1,557.91	410.41
Equity Share Capital	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	1,378.59	1,133.14
Reserves and Surplus	(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	10,875.76	6,604.18
Net-worth	(2933.42)	3,542.28	24,316.87	24,883.26	19,139.75	16,513.29	16,374.61	16,196.38	13,926.54	12,248.33	7,720.97
Earning per Share (₹)	(25.08)	(111.67)	(2.97)	0.62	0.96	1.05	2.99	21.63	15.60	12.38	3.79
Book Value per Share (₹)	(12.44)	15.02	127.36	130.32	127.25	125.13	124.07	122.72	105.52	92.81	71.87
Return on Net Worth (percentage)	NA	(656.66)	(2.33)	0.40	0.72	0.84	3.44	16.87	14.78	12.72	5.27
Dividend	-	-	-	-	-	-	12%	30%	25%	15%	10%

Annual Report 2014-2015



KAMAT HOTELS (INDIA) LIMITED BOARD OF DIRECTORS

Dr. Vithal Venketesh Kamat
Executive Chairman and Managing Director

Mr. Dinkar D. Jadhav
Independent Director

Mr. Vikram V. Kamat
Director

Ms. Himali H. Mehta
Independent Director

AUDITORS

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

COMPANY SECRETARY

Mr. Mahesh Kandoi

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 Fax No. 26164203

REGISTRARS AND SHARE TRANSFER AGENTS

Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (West), Mumbai – 400 078.
Email : rnt.helpdesk@linkintime.co.in
Website : www.linkintime.co.in
Tel No. 2596 3838 Fax No. 2594 6969

CONTENTS

	Page Nos.
Board of Directors	1
Notice	2
Board's Report & Annexures	6
Standalone Financial Statements:	
Auditors' Report	37
Balance Sheet	42
Statement of Profit and Loss	43
Cash Flow Statement	44
Notes on Financial Statements	46
Consolidated Financial Statements:	
Auditors' Report	74
Balance Sheet	78
Statement of Profit and Loss	79
Cash Flow Statement	80
Notes on Financial Statements	82

Annual Report 2014-2015



NOTICE

Notice is hereby given that the Twenty-Eighth Annual General Meeting of the members of **Kamat Hotels (India) Limited** will be held at "Shubham Hall", Landmark Building, Opposite Vile Parle Railway Station, Junction of Besant Road and V. P. Road, Vile Parle (West), Mumbai – 400 056 on Saturday, the 12th September, 2015 at 3.30 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited financial statement alongwith the Audited Consolidated Financial Statement of the Company for the year ended on 31st March, 2015 and Reports of the Board and Auditors thereon.
2. To appoint a Director in place of Mr. Vikram V. Kamat, 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 Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014, (the Rules), as amended from time to time, M/s. J. G. Verma & Co, Chartered Accountants, Mumbai, registration number FRN: 111381W, who have given written consent for their re-appointment and a certificate that their appointment, if made, will be in accordance with the conditions of Section 141 of the Act and Rule 4 of the Rules, be and are hereby re – appointed as the Statutory Auditors of the Company for the financial year 2015 - 2016, to hold the office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on 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."

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 Section 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force), the Companies (Appointment and Qualification of Directors) Rules, 2014, Articles of Association of the Company, Listing Agreements entered into by the Company with the stock exchanges where the equity shares of the Company are listed, Ms. Himali H. Mehta (DIN: 07037244), who was appointed as an Additional Director of the Company with effect from 20th December, 2014 by the Board of Directors under Section 161 of the Companies Act, 2013 and who holds office as such upto the date of the 28th Annual General Meeting and in respect of whom a notice in writing along with requisite deposit under Section 160 of the Companies Act, 2013 has been received by the Company from a member proposing her candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company for a term commencing from the date of her appointment to 31st March, 2019, not liable to retire by rotation as per the explanation to Section 152(6) of the Companies Act, 2013.
RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary, expedient or desirable to give effect to this resolution."

**By order of the Board of Directors
FOR KAMAT HOTELS (INDIA) LIMITED**

Place : Mumbai
Date: 30th May, 2015

**Mahesh Kandoi
Company Secretary**

Registered Office:

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

NOTES:

- 1) (a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ONLY INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
(b) 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.
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 28th 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.
- 3) A Statement pursuant to Section 102 of the Companies Act, 2013 in relation to the special business of the meeting is annexed as Annexure I to the Notice.

- 4) The members or proxies are requested to bring with them the Annual Report, as extra copy of the same will not be supplied at the meeting as per usual practice.
- 5) 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-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai-400078, Tel No. 25963838 and Fax No. 25946969, Email : rnt.helpdesk@linkintime.co.in Website : www.linkintime.co.in in respect of their holding in physical form.
- 6) The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 1st September, 2015 to Saturday, 12th September, 2015 (both days inclusive) for the purpose of Annual General Meeting.
- 7) As per Section 205C of the Companies Act, 1956, the dividend remaining unclaimed for a period of 7 years from the date of transfer to unpaid dividend account in respect of financial year ended on 31st March, 2008 shall be transferred to Investor Education and Protection Fund (IEPF) by 4th November, 2015.

The members who have not encashed their dividend warrants so far for the financial year ended on 31st March, 2008 or 2009 are requested to approach the Company or its Registrars and Transfer Agents for revalidation of their dividend warrants or issue of pay order/demand draft in lieu of dividend warrant.

- 8) Appointment /Re-appointment of Directors:
Mr. Vikram V. Kamat retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting. Mr. Vikram V. Kamat is proposed to be re-appointed as a Director (promoter) of the Company. Ms. Himali H. Mehta, Additional Director of the Company is proposed to be appointed as an independent director of the Company. The details pertaining to these directors as required under Clause 49 VIII E 1 of the Listing Agreement entered in to by the Company with the Stock Exchanges 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 2014-15 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 2014-15 are being sent by physical mode to those members who have not registered their email addresses with the Company / Depository Participant. Members may please note that the Annual Report 2014 - 15 is available on the website of the Company viz www.khil.com.
- 12) 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, M/s. Link Intime India Private Limited.
- 14) EVOTING:

- I] Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreements, the Company is pleased to announce that all the business mentioned in the Notice may be transacted through electronic voting system and the Company is providing facility by electronic means. E-voting is optional.
- II] For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating e-voting to enable the shareholders of the Company to cast their votes electronically.
- III] The Board of Directors of the Company has appointed M/s. V.V. Chakradeo & Co., Practising Company Secretary, Mumbai, to conduct and scrutinize the remote e-voting and voting at the 28th Annual General Meeting in a fair and transparent manner.

IV] Process and manner of voting:

(a) In case of Shareholders receiving e-mail from NSDL:

- i. Open e-mail and open PDF file viz; "KHIL e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
- ii. In case any shareholder is already registered with NSDL for e-voting, then that shareholder can use the existing user ID and password for casting of vote and step no. (i) and (vi) be skipped.
- iii. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>.
- iv. Click on Shareholder – Login.
- v. Put user ID and password as mentioned in step (i) or (ii) above, as may be applicable. Click Login.
- vi. Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password.
- vii. Home page of e-Voting opens. Click on e-Voting: Active Voting Cycles.

Annual Report 2014-2015



- viii. Select "EVEN" (E-Voting Event Number) of Kamat Hotels (India) Limited.
- ix. Now you are ready for e-Voting as Cast Vote page opens.
- x. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- xi. Upon confirmation, the message "Vote cast successfully" will be displayed.
- xii. Once you have voted on the resolution, you will not be allowed to modify your vote.

Institutional shareholders (i.e. members 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 cs@khil.com with a copy marked to evoting@nsdl.co.in.

- (b) In case of Shareholders receiving PIN mailer by Post:
 - i. Initial password will be provided through a separate PIN Mailer.
 - ii. Please follow steps (ii) to (xii) above, to cast vote.
 - iii. 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).
- V] In case of any query, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads sections of <https://www.evoting.nsdl.com> or contact NSDL at the following Telephone No.: 1800-222-990.
- VI] The remote e-voting period commences on 9th September, 2015 (9.00 a.m.) and closes on 11th September, 2015 (5.00 p.m.). At the end of the re-mote e-voting period, the portal where votes are cast shall forthwith be blocked.
- VII] Cut off date: 5th September, 2015.
Persons who have become members of the Company after the date of dispatch of notice by the Company, may apply to NSDL or Link Intime for receiving their User Id and Password required for remote e-voting.
- VIII] M/s. V. V. Chakradeo & Co. Practising Company Secretary, Mumbai, the scrutinizer will unblock the votes in the presence of at least two witnesses not in the employment of the company and make a scrutinizer's report of the votes cast in favor or against, if any and submit the same to Dr. Vithal V. Kamat, Executive Chairman and Managing Director of the Company on 14th September, 2015 i.e. within a period of not exceeding three working days from the date of conclusion of e-voting period.
- IX] The results along with the scrutinizer's report shall be placed on the website of the company and on the website of the RTA or NSDL immediately after the same is declared.
- X] Subject to receipt of sufficient votes, the resolution shall be deemed to be passed on the date of the 28th Annual General Meeting.
- XI] Remote e-voting facility shall not be available beyond 11th September, 2015 (5.00P.M.)
- XII] Company shall provide voting facility at the Meeting by way of Polling Paper.
- XIII] Members who have already exercised their vote by way of remote e-voting shall be entitled to participate in the meeting but shall not be allowed to vote.
- XIV] Names of the Members appearing in the Register of Members as on 5th September, 2015 shall only be entitled to vote.
- XV] Name, designation, address, email id and phone no. of the person responsible to address the grievances connected with facility for voting by electronic means.
Name:- Mr. Shashidhar Shetty
Designation:- Sr. Executive
Address: Ground Floor, KHIL House, Adjacent to Domestic Airport, Vile Parle – East, Mumbai – 400099
Email id: cs@khil.com
Phone No. 022-26164000 Extn 4478
- XVI] Public Notice under Rule 20 (4)(v) of the Companies (Management and Administration) Rules, 2014 will be placed on the website of the Company www.khil.com and also on the website of NSDL www.nsdl.co.in
- XVII] Members holding shares, both Physical and Demat, are entitled to vote through remote e-voting.

**By order of the Board of Directors
FOR KAMAT HOTELS (INDIA) LIMITED**

Place : Mumbai
Date: 30th May, 2015

**Mahesh Kandoi
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. 4

Ms. Himali H. Mehta is M.E. Environmental Engineer and B. E. Civil Engineer. A brief profile of Ms. Himali H. Mehta is given in Annexure II to the Notice.

Ms. Himali H. Mehta was appointed as an Additional Director by the Board of Directors of the Company with effect from 20th December, 2014 pursuant to Section 161 of the Companies Act, 2013. As per Section 161 of the Companies Act, 2013, she holds the office of Director up to the date of the forthcoming 28th 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 the provisions of Section 160 of the Companies Act, 2013 along with requisite security deposit from a member proposing the candidature of Ms. Himali H. Mehta as an Independent Director of the Company. Therefore, it is proposed to appoint Ms. Himali Mehta as an Independent Director for a term commencing from the date of her appointment to 31st March, 2019, not liable to retire by rotation.

As per Section 152(4) of the Companies Act, 2013, Ms. Himali H. Mehta has furnished her Director Identification Number and declared that she is not disqualified to become a Director under the Companies Act, 2013. Ms. Himali H. Mehta has also given a declaration under Section 149(7) of the Companies Act, 2013 to the effect that she meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013.

The Nomination and Remuneration Committee has recommended to the Board, appointment of Ms. Himali H. Mehta as an Independent Director.

The Board opines that Ms. Himali H. Mehta fulfils the conditions for appointment of Independent Director specified in the Companies Act, 2013 and rules made there under and that she is independent of the management of the Company.

The terms and conditions of appointment of Ms. Himali H. Mehta 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 12th September, 2015.

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

Except Ms. Himali H. Mehta there is no concern or interest, financial or otherwise of any director, key managerial personnel of the Company or their relatives in respect of the said resolution.

ANNEXURE II TO THE NOTICE

As required under Clause 49 VIII E 1 of the Listing Agreements, a brief profile of the Directors seeking appointment / re-appointment is as follows:

1. Name: Mr. Vikram V. Kamat

Mr. Vikram V. Kamat is a science graduate (B.Sc) and has completed his Hotel Management course from the Institute of Hotel Management, Catering Technology and Applied Nutrition (IHMCATAN), Mumbai. He joined the Company as an Additional Director of the Company with effect from 22nd July, 2006. He has expertise in management of the Company and Hotel Industry.

Directorship held in other companies:

Green Dot Restaurants Pvt. Ltd., Kamats Holiday Resorts (Silvassa) Ltd., Orchid Hotels Pune Pvt. Ltd., Vishal Amusements Ltd., Indira Investments Pvt. Ltd., Kamat Holdings Pvt. Ltd., Kamats Club Pvt. Ltd., Kamats Development Pvt. Ltd., Kamats Eateries Pvt. Ltd., Kamats Super Snacks Pvt. Ltd., Kamburger Foods Pvt. Ltd., Karaoke Amusements Pvt. Ltd., Venketesh Hotels Pvt. Ltd.

Audit Committee Membership in other Companies-1, Stakeholders Relationship Committee Membership in other Companies-NIL, Nomination and Remuneration Committee Membership in other Companies-1, Shareholding in Kamat Hotels (India) Limited -500 shares.

2. Name: Ms. Himali H. Mehta

Ms. Himali H. Mehta is M.E. Environmental Engineer and B. E. Civil Engineer. She joined the Board as an Additional Director of the Company with effect from 20th December, 2014. She has expertise in environment and management field.

Directorships held in other Companies: NIL

Audit Committee Membership in other public limited companies: NIL

Stakeholders Relationship Committee Membership in other public limited companies : NIL

Shareholding in Kamat Hotels (India) Ltd.: NIL

Annual Report 2014-2015



BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the 28th Annual Report together with the Audited financial statement of the Company for the year ended 31st March, 2015.

FINANCIAL SUMMARY

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

(Rs. in lakhs)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Total Income	13,930.63	15,679.06
Profit Before Interest, Depreciation & Taxation	3,316.48	6,168.35
Less: Interest and Finance Charges (net)	7,948.21	5,735.27
Less: Depreciation	1,837.84	1,438.52
Profit Before Exceptional Item and Tax	(6,469.57)	(1,005.44)
Add/(Less): Exceptional Item	-	(23,805.16)
Profit/(loss) Before tax	(6,469.57)	(24,810.60)
Less: Current Tax	117.18	252.00
Prior Period Adjustment – Income Tax	26.09	28.92
Deferred tax	(541.19)	(1,830.83)
MAT credit entitlement	155.96	-
Net Profit/(Loss)	(5,915.69)	(23,260.69)
Amount proposed to be carried to reserves	-	-
Add: Surplus / (Deficit) Brought Forward from previous year	(17,895.31)	5,365.38
Balance carried over to Balance Sheet	(23,811.00)	(17,895.31)

STATE OF COMPANY'S AFFAIRS

The average occupancy level of The Orchid, Mumbai, was, around 69% as compared to 60% in the previous year. The average occupancy level of VITS Mumbai was around 72% as compared to 70% in the previous year. The Average Room Rate, during the year under review, was at Rs. 5,355/- at The Orchid, Mumbai as compared to Rs. 5,213/- in the previous year and at Rs. 3,284/- at VITS, Mumbai as compared to Rs. 3,148/- in the previous year.

The total revenue of the Company for the year was recorded at Rs.13,930.63 lakhs (of which the revenue of Rs. 7,468.86 lakhs pertains to The Orchid, Mumbai, Rs. 2,348.37 lakhs to VITS, Mumbai and Rs.4,113.40 lakhs to other units) as against Rs. 15,679.06 lakhs in the previous year, a decrease of around 11.15% over the last year. The Company has registered loss after tax of Rs. 5,915.69 lakhs as compared to loss of Rs.23,260.69 lakhs in the previous year.

FINANCE

The Asset Sale Committee constituted by the CDR Lenders could not materialize sale of specified assets of the Company despite best efforts by the management, promoters and the Asset Sale Committee by the deadline, that is, 31st March, 2014 and therefore, the CDR Empowered Group communicated revocation of CDR mechanism as decided in the Joint Lenders Meeting.

The Company has received loan recall notices and notices purportedly under Section 13(2) of SARFAESI Act, 2002 from some lenders and the matter is being dealt with by the Company appropriately.

TFCI and L&T Infrastructure Finance Company Limited have, on 30.09.2014, assigned their respective debts/facility due from the Company together with securities interest/underlying rights, benefits & obligations to Asset Care & Reconstruction Enterprise Ltd (ACRE) and Edelweiss Asset Reconstruction Company Limited, acting as Trustee of EARC Trust SC105 respectively. During the year under review, the Company has entered in to Settlement Agreements with ACRE for settlement of its dues assigned from SBI and TFCI to ACRE on the terms and conditions contained in the said Settlement Agreements. Vijaya Bank has also assigned its debts due from the Company to Invent Assets Securitization & Reconstruction Private Limited.

DIVIDEND

In view of loss incurred by the Company during the year under review, the Board of Directors do not recommend any dividend for the financial year ended 31st March, 2015 (Previous year NIL).

Annual Report 2014-2015



SHARE CAPITAL

During the year under review, no shares with differential voting rights, sweat equity shares or employee stock options were issued by the Company.

During the year under review, there was no change in the Authorised or Paid up Share Capital of the Company.

MATERIAL CHANGES AND COMMITMENTS

There has been no material changes and commitment affecting the financial position of the Company during the financial year 2014-15.

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

As on 31st March, 2015 the Company had the following subsidiaries / joint ventures / associate companies:

Subsidiary Companies:

1. Orchid Hotels Pune Private Limited
2. Fort Mahodadhinivas Palace Private Limited
3. Kamats Restaurants (India) Private Limited
4. Fort Jadhavgadh Hotels Private Limited
5. Green Dot Restaurants Private Limited

Joint Venture Company /Associate Company:

1. Ilex Developers & Resorts Limited

A report on the performance and financial position of each of the subsidiaries, associates and joint venture companies as per the Companies Act, 2013 is provided in form AOC 1 as at point no. 39 to the consolidated financial statement and hence not repeated here for the sake of brevity.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Vikram V. Kamat retires by rotation at the ensuing 28th Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

Mr. Vikram V. Kamat was re-appointed as an Executive Director of the Company at the 27th Annual General Meeting held on 10th September, 2014 for a period of 3 years from 1st October, 2014 subject to approval of the Central Government. The Board of Directors have relieved him from the office of Executive Director of the Company with effect from 20th December, 2014 since he had expressed his inability to continue as an Executive Director of the Company. He continues to be a director of the Company.

Ms. Himali H. Mehta and Ms. Gayatri Devadiga were appointed as Additional Directors of the Company with effect from 20th December, 2014 pursuant to Section 161 of the Companies Act, 2013 to hold the office as Independent directors up to the date of 28th Annual General Meeting.

It is proposed to appoint Ms. Himali H. Mehta as an Independent Director of the Company for a term commencing from the date of her appointment to 31st March, 2019.

The Brief profile of Mr. Vikram V. Kamat and Ms. Himali H. Mehta, Directors of the Company is given in Annexure II to the Notice convening the ensuing 28th Annual General Meeting.

During the year under review, Mrs. Rajyalakshmi Rao, Mr. Rohhan Divanji and Ms. Gayatri Devadiga, resigned from the office of Director of the Company with effect from 25th September, 2014, 21st November, 2014 and 21st January, 2015 respectively. The Board of Directors places on record its sincere appreciation for the valuable support and guidance given by Mrs. Rajyalakshmi Rao, Mr. Rohhan Divanji and Ms. Gayatri Devadiga to the Company during their tenure as Directors of the Company.

DECLARATION BY INDEPENDENT DIRECTOR:

Mr. D. D. Jadhav and Ms. Himali H. Mehta, 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 which were taken on record by the Board.

FAMILIARISATION PROGRAMMES FOR INDEPENDENT DIRECTORS

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/hospitality-management/Familiarization%20Programmes.pdf>

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 the Board's Report.

Annual Report 2014-2015



NUMBER OF MEETINGS OF THE BOARD

During the financial year 2014-15, five meetings of the Board of Directors were held. The dates of Board meetings are given in the Corporate Governance section, forming part of the Board's Report

DIRECTORS' RESPONSIBILITY STATEMENT

As required by Section 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 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, 2015 and of the loss of the Company for the financial year ended on that date;
- 3 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 Companies Act, 2013 and Clause 49 IV of the listing agreement entered into with the stock exchanges, 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 criteria for performance evaluation of director was formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at their respective meetings held on 22nd March, 2014 which was subsequently modified on 28th May, 2014 by inserting policy on Board Diversity in part B of the said policy. The said policy is annexed as *Annexure B* to the Board's Report. The said policy is also posted on the website of the Company www.khil.com and its weblink is <http://www.khil.com/hospitality-management/NOMINATION%20AND%20REMUNERATION%20POLICY.pdf>.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

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:

(Rs. in lakhs)

Loans Given		Opening Balance	During the year	Closing Balance
		19,646.40	827.66*	20,474.06
Guarantee given or Security Provided	Guarantee given 20,434.00	20,786.94	--	20,786.94
	Security provided 352.94 (given to wholly owned subsidiary)			
Investment Made		9,884.83	--	9,884.53**

* in continuation and pursuant to loan agreement dated 22nd March, 2014.

** Reduction in market value

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTY REFERRED TO IN SUB SECTION (1) OF SECTION 188 OF THE COMPANIES ACT, 2013

The Board of Directors of the Company had formulated a policy on related party transactions and materiality of Related Party Transactions on 28th May, 2014 and subsequently modified it on 8th November, 2014 in terms of Clause 49 VII and VIII of the listing agreement. The said policy is disclosed on the website of the Company, www.khil.com and its weblink is <http://www.khil.com/hospitality-management/POLICY%20ON%20RELATED%20PARTY%20TRANSACTION%20AND%20MATERIALITY%20OF%20RELATED%20PARTY%20TRANSACTIONS.pdf>.

During the year under review, no Material Related Party Transactions, i.e. transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements, were entered into by your Company. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) (h) of the Companies Act, 2013 in Form AOC 2 is not applicable.

STATEMENT OF ANNUAL EVALUATION OF BOARD, COMMITTEES AND DIRECTORS AS PER SECTION 134(3) (p) READ WITH RULE 8(4) OF COMPANIES (ACCOUNTS) RULES, 2014

The Board of directors, at its meeting held on 14th February, 2015, evaluated its own performance and that of its committees and individual directors.

The Board was evaluated based on factors like quality and duration of discussion, disclosure and transparency, discharge of the function of the Board and timeliness of the information, adhering to good corporate governance practice etc.

The individuals were evaluated on factors like duties of the Directors u/s. 166 of the Companies Act, 2013 to promote the objects of the Company, leadership quality, attitude, initiatives and responsibility undertaken, decision making, commitment and achievements during the financial year.

The Independent Directors at their separate meeting held on 30th May, 2015 without the attendance of non-independent directors and members of the management, reviewed the performance of non independent directors including Executive Chairman and Managing Director and the Board as a whole. The meeting also assessed the quality, quantity and timeliness of flow of information between the company management and the board that is necessary for the board to effectively and reasonably perform its duties.

AWARDS

The Orchid, Mumbai Asia's first and only ISO 14001 certified Eco-friendly Five Star Hotel, continues to maintain the track record of winning prestigious awards. On 1st November, 2014, The Orchid, Mumbai was given Vocational Excellence Award – College of Club Leasers.

Your Company has so far bagged 93 National and International Awards. Most of these awards have been won mainly because of the environmental awareness created by the flagship hotel, "The Orchid", Mumbai.

VIGIL MECHANISM

The Company has established a Vigil Mechanism for directors and employees to report genuine concerns. The vigil mechanism provide for adequate safeguards against victimization of person who use Vigil Mechanism and also provide for direct access to the Chairman of the Audit Committee in appropriate and exceptional cases.

The Policy on Vigil Mechanism is displayed on the website of the Company www.khil.com and its weblink is <http://www.khil.com/hospitality-management/WHISTLE%20BLOWER%20POLICY%20-%20VIGIL%20MECHANISM.pdf>.

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 (*Annexure G*) forming part of the Board's Report. During the year under review, there was no instance where the Board has not accepted any recommendation of the Audit Committee.

RISK MANAGEMENT

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.

DEPOSITS

There was no deposit accepted by the Company within the meaning of Section 58A of the Companies Act, 1956 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 AUDIT:

In terms of Section 204 (1) of the Companies Act, 2013, a Secretarial Audit Report is annexed as *Annexure C* of the Board's Report.

EMPLOYEES DETAILS

The details as per section 197(12) read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are mentioned in *Annexure D* to this Report.

INFORMATION REQUIRED UNDER RULE 8 (3) OF THE COMPANIES (ACCOUNTS) RULES, 2014.

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 hotel is 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: Rs. 1,491.72 Lakhs (Previous Year Rs. 1,269.53 Lakhs).

Utilization (including import of capital goods): Rs. 150.59 Lakhs (Previous Year Rs. 67.78 Lakhs).

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

During the period under review, no significant and material order was passed by any regulators/ courts or tribunals which have an effect on the going concern status of the Company and its operations.

INTERNAL FINANCIAL CONTROLS

The Company has adequate internal control systems relating to Purchase, Expense controls, Sales Recording and Audit and Internal Audit. A report on said systems is quarterly placed before the Audit Committee of the Company for its perusal and to determine its adequacy. Such control systems are adequate and commensurate with the size and nature of the business.

DISCLOSURES RELATING TO UNCLAIMED SUSPENSE ACCOUNT

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 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 towards its corporate social responsibility in the field of environment.

Disclosures of Corporate Social Responsibility (CSR) activities of the Company is given in *Annexure "E"* forming part of this report.

Annual Report 2014-2015



CORPORATE GOVERNANCE

As per Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on Management Discussion and Analysis and Corporate Governance Report together with a certificate from the Company's Auditors confirming compliance is given in *Annexure "F" and "G"* forming part of this 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. No instance of Sexual Harassment of Women under the said Act has been reported in any of the units of the Company.

AUDITORS

M/s. J. G. Verma & Co., Chartered Accountants, Mumbai retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

EXPLANATION AND COMMENTS BY THE BOARD ON MATTER OF EMPHASIS MADE IN THE AUDITORS' REPORT

With regard to matter of emphasis no. 1 to 4 in the Auditor's report, the same are self explanatory and do not call for further explanation.

EMPLOYEE RELATIONS

The relations of the management with staff and workers remained cordial during the entire year.

ACKNOWLEDGEMENTS

The directors place on record their appreciation for the sincere and whole hearted co-operation extended by all the concerned persons, particularly Company's Bankers, Financial Institutions, Security Trustees, Stock Exchanges, Department of Tourism, Municipal authorities, the Government of Maharashtra, the Central Government, suppliers, clientele and the staff 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.

ON BEHALF OF THE BOARD OF DIRECTORS

Place : Mumbai
Date : 30th May, 2015

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

ANNEXURE A TO THE BOARD'S REPORT

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2015

[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-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (West),
Mumbai – 400 078.
Tel No. 2596 3838 and Fax No. 2594 6969

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Hotels and Restaurants	99633102	96%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sr. No.	Name and Address of Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares	Applicable Section of the Companies Act, 2013
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)
2.	Fort Mahodadhiniwas Palace Private Limited Address: 70-C, Nehru Road, Vile Parle–East, Mumbai–400099	U55101MH2010PTC201685	Subsidiary	100%	2(87)(ii)
3.	Kamats Restaurants (India) Private Limited Address: KHIL House, 70-C, Nehru Road, Vile Parle – East, Mumbai – 400099	U55204MH2011PTC215698	Subsidiary	100%	2(87)(ii)
4.	Fort Jadhavgadhi Hotels Private Limited Address: KHIL House, 70-C, Nehru Road, Vile Parle – East, Mumbai – 400099	U55101MH2012PTC227175	Subsidiary	100%	2(87)(ii)
5.	Green Dot Restaurants Private Limited. Address: KHIL House, 70-C, Nehru Road, Vile Parle – East, Mumbai – 400099	U55101MH2012PTC237229	Subsidiary	100%	2(87)(ii)
6.	Ilex Developers & Resorts Limited Address: 70-C, Nehru Road, Vile Parle–East, Mumbai–400099	U70102MH2008PLC184194	Associate	33%	2(6)

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
a. Individual/HUF	33,68,238	-	33,68,238	14.28	33,68,238	-	33,68,238	14.28	-
b. Central Govt.	-	-	-	-	-	-	-	-	-
c. State Govt (s)	-	-	-	-	-	-	-	-	-
d. Bodies Corp.	1,09,93,722	-	1,09,93,722	46.62	1,09,93,722	-	1,09,93,722	46.62	-
e. Banks / FI	-	-	-	-	-	-	-	-	-
f. Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1):-	1,43,61,960	-	1,43,61,960	60.90	1,43,61,960	-	1,43,61,960	60.90	-
(2) Foreign									
a. NRIs – Individuals	-	-	-	-	-	-	-	-	-
b. Other- Individual	-	-	-	-	-	-	-	-	-
c. Bodies Coprp.	-	-	-	-	-	-	-	-	-
d. Banks/FI	-	-	-	-	-	-	-	-	-
e. Any other.	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	1,43,61,960	-	1,43,61,960	60.90	1,43,61,960	-	1,43,61,960	60.90	-
B. Public Shareholding									
1. Institutions									
a. Mutual Funds	-	1000	1000	0.004	-	1,000	1,000	0.004	-
b. Banks/FI	-	-	-	-	-	-	-	-	-
c. Central Govt.	-	-	-	-	-	-	-	-	-
d. State Govt.(s)	-	-	-	-	-	-	-	-	-
e. Venture Capital Funds	-	-	-	-	-	-	-	-	-
f. Insurance Companies	-	-	-	-	-	-	-	-	-
g. FIs	2,57,431	-	2,57,431	1.10	2,57,431	-	2,57,431	1.10	-
h. Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i. Others (Specify)	-	-	-	-	-	-	-	-	-
Sub – Total (B) (1):-	2,57,431	1000	2,58,431	1.10	2,57,431	1,000	2,58,431	1.10	-
2. Non Institutions									
a. Bodies Corp.									
i. Indian	47,598	13,100	60,698	0.26	1,06,191	13,100	1,19,291	0.51	0.24
ii. Overseas	-	-	-	-	-	-	-	-	-
b. Individuals									
i. Individual Shareholders holding Nominal Share Capital upto Rs. 1 Lakh	8,41,383	2,43,162	10,84,545	4.60	8,09,772	2,37,212	10,46,984	4.44	(0.15)
ii. Individual Shareholders holding Nominal Share Capital in excess of Rs. 1 Lakh	28,940	-	28,940	0.12	28,940	-	28,940	0.12	-
c. Others (Specify)									
c (i) Clearing Member	3,991	-	3,991	0.17	3,747	-	3,747	0.016	(0.01)
c (ii) Non Resident Indians (Repat)	66,254	-	66,254	0.28	52,259	-	52,259	0.22	(0.05)

Annual Report 2014-2015



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
c (iii) Non Resident Indians (Non Repat)	12,190	77,800	89,990	0.38	7,597	75,600	83,197	0.35	(0.02)
c (iv) Foreign Companies	76,28,149	1,100	76,29,249	32.35	76,28,149	1,100	76,29,249	32.35	-
Sub – Total (B) (2):-	86,28,505	3,35,162	89,63,667	38.01	86,36,655	3,27,012	89,63,667	38.00	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	88,85,936	3,36,162	92,22,098	39.10	88,94,086	3,28,012	92,22,098	39.10	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	2,32,47,896	3,36,162	2,35,84,058	100	2,32,56,046	3,28,012	2,35,84,058	100	-

(ii) Shareholding of Promoters

S No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in share holding during the year
1	Plaza Hotels Pvt. Ltd.	35,35,545	14.99	90.96	35,35,545	14.99	90.96	NIL
2	Indira Investments Pvt. Ltd.	15,63,794	6.63	97.78	15,63,794	6.63	97.78	NIL
3	Kamat Holdings Pvt. Ltd.	15,00,000	6.36	100	15,00,000	6.36	100	NIL
4	Nagpur Ecohotel Pvt. Ltd.	10,00,000	4.24	-	10,00,000	4.24	-	NIL
5	Kamat Development Pvt. Ltd.	8,39,272	3.56	100	8,39,272	3.56	100	NIL
6	Venkatesh Hotels Pvt. Ltd.	7,57,000	3.21	100	7,57,000	3.21	100	NIL
7	Vits Hotels (Bhubaneswar) Pvt. Ltd.	6,29,629	2.67	-	6,29,629	2.67	-	NIL
8	Kamats Holiday Resorts (Silvassa) Ltd.	2,76,439	1.17	100	2,76,439	1.17	100	NIL
9	Vishal Amusements Ltd.	2,58,897	1.10	88.49	2,58,897	1.10	88.49	NIL
10	Kamats Amusements Pvt. Ltd.	2,05,128	0.87	-	2,05,128	0.87	-	NIL
11	Kamats Super Snacks Pvt. Ltd.	1,82,445	0.77	100	1,82,445	0.77	100	NIL
12	Kamats Eateries Pvt. Ltd.	1,19,245	0.51	96.63	1,19,245	0.51	96.63	NIL
13	Kamburger Foods Pvt. Ltd.	40,551	0.17	94.50	40,551	0.17	94.50	NIL
14	Kamats Club Private Limited	4,900	0.02	100	4,900	0.02	100	NIL
15	Vithal V. Kamat	32,54,990	13.80	32.48	32,54,990	13.80	32.48	NIL
16	Vidya V. Kamat	96,621	0.41	30.02	96,621	0.41	30.02	NIL
17	Karaoke Amusements Pvt. Ltd.	80,877	0.34	100	80,877	0.34	100	NIL
18	Vishal V. Kamat	15,627	0.07	98.03	15,627	0.07	98.03	NIL
19	Vikram V. Kamat	500	0.002	100	500	0.002	100	NIL
20	Vidita V. Kamat	500	0.002	100	500	0.002	100	NIL
	Total	1,43,61,960	60.90	68.73	1,43,61,960	60.90	68.73	NIL

(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
1	At the beginning of the year i.e. 01/04/2014	1,43,61,960	60.90	1,43,61,960	60.90
	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):	-	-	-	-
2	At the End of the year i.e. 31/03/2015	1,43,61,960	60.90	1,43,61,960	60.90

Annual Report 2014-2015



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

Sr. No.	Particulars	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.	Clearwater Capital Partners Cyprus Ltd				
	At the beginning of the year i.e. 1 st April, 2014	76,28,149	32.3445		
	Date wise changes during the year:	NIL	NIL		
	At the end of the year i.e. 31 st March, 2015	76,28,149	32.3445		
2.	Clearwater Capital Partners Singapore Fund III Private Limited				
	At the beginning of the year i.e. 1 st April, 2014	2,57,431	1.0915		
	Date wise changes during the year:	NIL	NIL		
	Purchase (16.01.15)				
	At the end of the year i.e. 31 st March, 2015	2,57,431	1.0915		
3.	Anuradha V. Subramanian				
	At the beginning of the year i.e. 1 st April, 2014	17,340	0.0735		
	Date wise changes during the year:	NIL	NIL		
	At the end of the year i.e. 31 st March, 2015	17,340	0.0735		
4.	Harinder Pal Kaur				
	At the beginning of the year i.e. 1 st April, 2014	11,600	0.0492		
	Date wise changes during the year:	NIL	NIL		
	Purchase (31.12.14)				
	At the end of the year i.e. 31 st March, 2015	11,600	0.0492		
5.	Sunil Ghanshyamdas Khandelwal				
	At the beginning of the year i.e. 1 st April, 2014	10,000	0.0424		
	Date wise changes during the year:	NIL	NIL		
	At the end of the year i.e. 31 st March, 2015	10,000	0.0424		
6.	Darshak Mehta				
	At the beginning of the year i.e. 1 st April, 2014	10,000	0.0424		
	Date wise changes during the year:	NIL	NIL		
	At the end of the year i.e. 31 st March, 2015	10,000	0.0424		
7.	Sudhir Ghanshyamdas Khandelwal				
	At the beginning of the year i.e. 1 st April, 2014	5,000	0.0212		
	Date wise changes during the year:	5,000	0.0212	10,000	0.0424
	Purchase (30.06.14)				
	At the end of the year i.e. 31 st March, 2015	10,000	0.0424		
8.	Hem Securities Limited				
	At the beginning of the year i.e. 1 st April, 2014	9,864	0.0418		
	Date wise changes during the year:				
	Sale (16.05.14)	(25)	0.0001	9839	0.0417
	Sale (30.05.14)	(100)	0.0004	9739	0.0413
	Purchase (13.06.14)	20	0.00008	9759	0.0414
	Sale (20.06.14)	(20)	0.00008	9739	0.0413
	Sale (30.06.14)	(50)	0.0002	9689	0.0411
	Sale (19.09.14)	(2106)	0.0089	7583	0.0322
	Sale (05.12.14)	(25)	0.0001	7558	0.0320
	Sale (06.02.15)	(150)	0.0006	7408	0.0314
	Sale (13.03.15)	(358)	0.0015	7050	0.0299
	Sale (27.03.15)	(5)	0.00002	7045	0.0299
	At the end of the year i.e. 31 st March, 2015	7,045	0.0299		
9.	Madhavrao Balwant Patil				
	At the beginning of the year i.e. 1 st April, 2014	9,000	0.0381		
	Date wise changes during the year:	NIL	NIL		
	Purchase (30.05.14)				
	At the end of the year i.e. 31 st March, 2015	9,000	0.0381		
10.	Sajida Sharma				
	At the beginning of the year i.e. 1 st April, 2014	7,500	0.0318		
	Date wise changes during the year:	NIL	NIL		
	At the end of the year i.e. 31 st March, 2015	7,500	0.0318		

Annual Report 2014-2015



(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For each of the Directors and KMP				
1.	Dr. Vithal V. Kamat				
	At the beginning of the year i.e. 1st April, 2014	32,54,990	13.80	32,54,990	13.80
	Date wise increase or decrease	NIL	NIL	NIL	NIL
	At the end of the year i.e. 31st March, 2015	32,54,990	13.80	32,54,990	13.80
2.	Mr. Vikram V. Kamat				
	At the beginning of the year i.e. 1st April, 2014	500	0.002	500	0.002
	Date wise increase or decrease	NIL	NIL	NIL	NIL
	At the end of the year i.e. 31st March, 2015	500	0.002	500	0.002

Note: none of the other Directors (Mr. Dinkar D. Jadhav and Ms. Himali H. Mehta) and Key Managerial Personnel (Mr. Kurian Chandy and Mr. Mahesh Kandoi) held shares in the Company during the Financial year ended 31st March, 2015.

V. INDEBTEDNESS

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

(Rs. In lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	45,011.89	2,963.33	-	47,975.22
ii) Interest due but not paid	897.28	113.11	-	1,010.39
iii) interest accrued but not due	NIL	114.77	-	114.77
Change in Indebtedness during the Financial Year				
Addition	6,403.80	516.55	-	6,920.35
Reduction	(770.95)	(438.47)	-	(1,209.42)
Indebtedness at the end of the financial year				
i) Principal Amount	47,552.99	3,153.10	-	50,706.09
ii) Interest due but not paid	3,989.03	3.59	-	3,992.62
iii) Interest accrued but not due	NIL	112.61	-	112.61

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of MD/WTM/ Manager				Total Amount
		Dr. Vithal V. Kamat (Executive Chairman and Managing Director)	Mr. Vikram V. Kamat (Executive Director upto 30 th September, 2014)	---	--	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	96,00,000.00	15,00,000.00	N.A.	N.A.	1,11,00,000.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	6,802.00	NIL			6,802.00
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL			NIL
2	Stock Option	NIL	NIL			NIL
3	Sweat Equity	NIL	NIL			NIL
4	Commission					
	- as % of Profit	NIL	NIL			NIL
	- other, specify					
5	Others, please specify	NIL	NIL			NIL
	Total (A)	96,06,802.00	15,00,000.00			1,11,06,802.00
	Ceiling as per Act	N.A.*	N.A.			

*The amount of remuneration paid has been approved by the Central Government as per Schedule XIII Part II Section II (1) (C) of the Companies Act, 1956.

Annual Report 2014-2015



B. Remuneration to other directors:

Sr No	Particulars of Remuneration	Name of Directors						Total Amount
		Mrs. Rajyalakshmi Rao	Mr. S.S. Thakur	Mr. D.D. Jadhav	Mr. Rohhan Divanji	Ms. Himali H. Mehta	Ms. Gayatri Devadiga	
3.	Independent Directors							
	• Fees for attending Board and Committee Meetings	50,000.00	45,000.00	1,50,000.00	50,000.00	50,000.00	25,000.00	3,70,000.00
	• Commission	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	• Others, Please specify	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Total (1)	50,000.00	45,000.00	1,50,000.00	50,000.00	50,000.00	25,000.00	3,70,000.00
4.	Other Non Executive Directors							
	• Fee for attending Board Committee Meetings	--	--	--	--	--	--	--
	• Commission							
	• Others, please specify							
	Total (2)	--	--	--	--	--	--	--
	Total (B) = (1+2)	50,000.00	45,000.00	1,50,000.00	50,000.00	50,000.00	25,000.00	3,70,000.00
	Total Managerial Remuneration	--	--	--	--	--	--	3,70,000.00
	Overall Ceiling as per Act (for Sitting Fees) Rs.	--	--	--	--	--	--	--

Note: Overall ceiling as per Act is not applicable to sitting fees paid to non-executive directors.

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	25,35,289.00	28,81,922.00	54,17,211.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	15,000.00	15,000.00	30,000.00
	(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	25,50,289.00	28,96,922.00	54,47,211.00

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

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 agreement 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.

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. Vikram V. Kamat	Member (Director)

* inducted as a member w.e.f. 20th December, 2014

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** mean 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 Whole-time 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 Rs. 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 2015.

(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, Mumbai

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 2015 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 :

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 2015 according to the provisions of :

- i) The Companies Act, 2013 (Act) and the rules made thereunder;
- ii) The securities contracts(regulation) Act, 1956 (SCRA) and the rules made thereunder;
- iii) The Depositories Act 1996 and the regulations and Byelaws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, overseas Direct Investment and External Commercial Borrowings;
- v) The following regulation/guidelines prescribed under Securities and Exchange Board of India Act, 1992, (SEBI Act)
 - 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, 1992;
 - c) Securities and Exchange Board of India (issue of capital and Disclosure Requirements) Regulations, 2009;
 - d) Securities and Exchange Board of India (employees stock options scheme and stock purchase scheme)guidelines 1999;
 - e) Securities and Exchange Board of India (issue of listing of debt securities) regulations, 2008;
 - f) Securities and Exchange Board of India (registrar to 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(NA)
 - h) Securities and Exchange Board of India (buyback of securities) regulations 1998; (NA)
- vi) applicable laws for restaurant and hotel, public licences permissions/licenses from various local authorities, govt and semi govt bodies,
- vii) other applicable laws.

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

During the year under review, the company has complied with the provisions of the Act, 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.

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

FOR V V CHAKRADEO & CO.

Place : Mumbai
Date : 30th May, 2015

**V V CHAKRADEO
COP 1705. FCS 3382**

ANNEXURE 'D' TO THE BOARD'S REPORT

Information 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, 2015.

- i) Employee of the Company employed throughout the financial year, who was in receipt of remuneration for that year which, in the aggregate, was not less than rupees sixty lakhs;

Name	Designation	Qualifications	Remune-ration (₹)	Experience Years	Age Years	Date of Commencement of employment	Particulars of last employment
Dr. Vithal V. Kamat DIN No. 00195341	Executive Chairman & Managing Director	Dip. In Elect. Engg. (IV Sem.) Doctor of Science (Honoris Causa) by Padmashree Dr. D. Y. Patil University	96,00,000	42	63	01-04-1994	Plaza Hotels Pvt. Ltd. (Director)

Notes:

- a) The nature of employment is contractual.
b) The remuneration shown above is gross and comprises of basic salary.
c) The nature of the duties of the Executive Chairman and Managing Director is to manage the business and affairs of the Company subject to the supervision and control of the Board of Directors.
d) Relationship: Dr. Vithal V. Kamat, Executive Chairman and Managing Director is related to Mr. Vikram V. Kamat, Director.
- ii) Employee of the Company employed for a part of the financial year, who was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than five lakh rupees per month.

NIL

- iii) Employee of the Company employed throughout the financial year or part thereof, who was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

NIL

Managing Director of the Company is not getting any commission from the Company or from its holding (the Company does not have a holding Company) or from any of its subsidiaries.

- iv)

(i)	Ratio of the remuneration of each director to the median remuneration of the employees of the Company.		Remuneration to Dr. Vithal V. Kamat	median remuneration of the employees
		Amount (in Rs.)	96,00,000/-*	1,32,000/-
		Ratio	72.72	1
* PF and medical expenses excluded. Note: Dr. Vithal V. Kamat is the only director in receipt of remuneration.				
(ii)	Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.	Director – Nil Chief Financial Officer – Nil Company Secretary – 35%		
(iii)	Percentage increase in the median remuneration of employees in the financial year	4.83%		
(iv)	Number of permanent employees on the rolls of company.	1090 employees were recorded on the rolls of the Company as on 31 st March, 2015.		
(v)	Explanation on the relationship between average increase in remuneration and company performance	Increase in turnover (%)	Increase in Net Profit(%)	Average increase in in remuneration (%)
		(0.56)	74.57*	12.50
		*decrease in loss		

(vi)	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company.	The remuneration to Key Managerial Personnel is parallel and alike to remuneration of executives occupying similar post in other companies in hotels and hospitality related business. There was no increase in the remuneration of KMP in the year 2013 - 14.			
		Increase in turnover (%)	Increase in Net Profit/(Loss) (%)	Increase in remuneration of KMP	
		(0.56)	74.57**	CMD	NIL
				ED	NIL*
				CFO	NIL
				CS	35%
		*Mr. Vikram Kamat ceased to be Executive Director w.e.f. 20.12.2014. **Decrease in loss.			
(vii)	Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year.	(Amount in Rs.)			
		Particulars	As on 31.03.2015	As on 31.03.2014	Variation
		Market capitalisation	162,61,20,799(BSE) 146,22,11,596(NSE)	139,02,80,219 (BSE) 130,06,60,798 (NSE)	23,58,40,580/- 16,15,50,798/-
		Price earnings ratio	Negative*	Negative*	
		* The Company incurred Loss in 2013 -14 and 2014-15			
		Particulars	Value		
		Market quotation as on 31/03/2015			
		BSE	Rs. 68.95		
		NSE	Rs. 62.00		
		i) Rate at which equity shares were offered to public at Initial Public offer	Rs. 60.00		
		Percentage increase / decrease in comparison to i)			
		BSE	14.91		
		NSE	03.33		
(viii)	percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer.				
(viii)	average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	The salaries of the employees other than managerial personnel were increased by 12.02%. There was no increase in the managerial remuneration of directors. Hence no comparison or justification is provided.			
(ix)	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company.	(Rs. in Lakhs, rounded off)			
		Sr. No.	Name of the KMP	Remuneration for 2014-15	Remuneration for 2013-14
		1	Dr. Vithal V. Kamat Executive Chairman and Managing Director	96.00*	96.00*
		2	Mr. Vikram V. Kamat** Director	15.00	30.00
		3	Mr. Kurian Chandy Chief Financial Officer	29.00	29.00
		4	Mr. Mahesh Kandoi Company Secretary	26.00	19.00
		* PF and Medical Expenses excluded. **Ceased to be Executive Director w.e.f. 20.12.2014 and salary paid upto 30 th September, 2014.			

Annual Report 2014-2015



		Performance of the Company:		
			Rs. In lakhs	
		Parameters	2014-15	2013-14
		Turnover	13,331.53	13,406.82
		Net Profit / (Loss)	(5,915.69)	(23,260.69)* Includes exceptional item of Rs.(23,805.16)
(x)	Key parameters for any variable component of remuneration availed by the directors.	There are no variable components in remuneration to the Directors.		
(xi)	Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.	N.A		
(xii)	Affirmation that the remuneration is as per the remuneration policy of the company.	Yes		

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 at its meeting 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/hospitality-management/CORPORATE%20SOCIAL%20RESPONSIBILITY.pdf>
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:
 1. Mr. Dinkar D. Jadhav
 2. Mr. Vikram V. Kamat
 3. Ms. Himali H. Mehta
3. Average net profit for the last three financial years- N.A
4. The prescribed expenditure on CSR- N.A
5. Details of CSR spent during the financial year:
Amount required to be spent for FY 2014-15: N.A
Amount unspent, if any: N.A

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

(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.	World Environment Week Celebrations	Environment sustainability and ecological balance	Borivali, Sanjay Gandhi National Park, Borivali, Mumbai.	2,000/-	1,600/-	1,600/-	Direct
2.	Silent rally (Prior to Diwali)	Environment sustainability and ecological balance	Vile Parle, Mumbai, Maharashtra	3,000/-	1,800/-	1,800/-	Direct
3.	World Earth Day	Environment sustainability and ecological balance	At the Orchid Hotel, Mumbai, Maharashtra	4,000/-	3,900/-	3,900/-	Direct
4.	Beautification of Mumbai with 17 gardens	Environment sustainability and ecological balance	Mumbai, Maharashtra	4,00,000/-	3,60,000/-	3,60,000/-	Direct
5.	School student Visits to the Hotel	Environment sustainability, ecological balance and promotion of special education	At the Orchid Hotel, Mumbai, Maharashtra	4,500/-	3,200/-	3,200/-	Direct
6.	World Environment Day 2014 at Phoenix Market City Mall	Environment sustainability and ecological balance	Phoenix Market City Mall Mumbai, Maharashtra	3,500/-	2,800/-	2,800/-	Direct

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

ANNEXURE 'F' TO THE BOARD'S REPORT
MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND OUTLOOK

Overview of Economy:

As per the estimates released by Central Statistics Office, the growth rate of economy, measured by growth in GDP was projected to clock at 7.4 percent in 2014-15 as compared to 6.9 percent in 2013-14. The year 2014-15 witnessed lower volatility in foreign exchange market with rupee remaining relatively stable as compared to 2013-14. On account of reduced international price of oil and foreign investment flow; there were favorable conditions on foreign exchange front. The rate of inflation remained mild in the year 2014-15. With the change of Government at the centre, a new optimism and hope of key policy reforms and revival of economy prevailed during 2014-15.

Outlook:

The Government had in the Union Budget 2015-16 projected GDP growth of 8.5 per cent this fiscal. India is one of the very few countries for which IMF and World Bank have raised their growth assessment. As per world bank's India Development update report, Indian economic growth is expected to rise to 7.5 per cent in 2015-16, followed by further acceleration to 7.9 per cent in 2016-17 and 8 per cent in 2017-18 on account of reforms to unlock the country's investment potential to improve the business environment, liberalize FDI, boost both public and private investment in infrastructure, quickly resolve corporate disputes, simplify taxation and lower corporate taxes.

The outlook for hotel industry remains subdued in short to medium term because of excess room supply over demand. As expected, the hospitality industry in the country was reeling under slow down in the first half of FY 2014-15. The business environment gradually started looking up after elections due to positive vibrations from the political leadership and development agenda pronounced through the first budget of the new government. Although the overall positive sentiments have generated some momentum for the hospitality industry, the tangible results are yet to be seen. The hotel industry across markets registered growth in occupancies and RevPARs in Q3 and Q4. However, declining room rates continue to remain a matter of concern. The industry hopes an early absorption of over supply of rooms.

Hotel construction is capital intensive and has a long gestation period. In addition to constrain of high cost and availability of land, other constrain is procurement of multiple clearances required from central and state governments for hotel projects, resulting in delay in implementation of project and cost escalation. It is necessary to extend infrastructure status to the existing debt ridden hotel projects to give them longer repayment period of debts and reduced interest rate. Besides, a single point, like, Hospitality Development and Promotion Board (HDPB) for receiving applications for multiple approvals should become operational as early as possible.

Government Initiatives:

The Government had launched Tourist Visa on Arrival enabled with electronic travel authorization scheme on 27.11.2014 for nationals of 43 countries to travel to India for tourism for a short stay of 30 days whose objective of visiting India is recreation, sight-seeing, short duration medical treatment, casual business visit, casual visit to meet friends etc. This initiative has given new hope to tourism industry. For promotion of tourism, two new schemes have been announced in budget 2014-15. With a view to beautify and improve the amenities and infrastructure at pilgrimage centers of all faith, a National Mission on Pilgrimage Rejuvenation and Spiritual Augmentation Drive (PRASAD) was announced. Another scheme named as SWADESH DARSHAN has been initiated. The Government has also decided to create tourist circuits around specific theme and identified 81 destinations/circuits of national importance for integrated development of mega destinations/circuits/projects for addressing the infrastructure gaps. The Government has also launched incredible India mobile application in August, 2014 to assist tourists to access information about MoT recognized service providers.

Comprehensive Sustainable Tourism Criteria and Indicator (STCI) have been finalized for accommodation Sector and the tour operator sector to address the need for environment friendly measures like Sewage Treatment Plant, Rain Water Harvesting System, Waste Management System, Pollution Control etc. There are 36 institutes of hotel management (IHMs) comprising 21 central IHMs and 15 state IHMs and 7 Food Craft Institutes. These institutes were set up as autonomous societies to impart hospitality education/conduct training in hospitality skills. Government has also taken various initiatives for promoting tourism and hospitality sector by advertising in print and electronic media - promotion and publicity TV campaign, social awareness campaign like Athithi Devo Bhava, online campaign featuring campaign clean India, printing and production of publicity material, participation in Travel and Tourism Fairs and exhibitions, organizing seminars, workshops, road shows, organizing food festivals, Bilateral and multilateral tourism co-operation agreements etc.

OPPORTUNITIES, THREATS, RISKS AND CONCERNS

Tourism is one of the oldest and fastest evolving industries. It is well recognized as potent engine for progress of several segments of the society and the economy on account of offering job opportunities to skilled and unskilled manpower and infrastructure development. India has rich cultural diversity of its people through its languages, cuisine, traditions, festivals, customs, music, dance, religious practices, arts and craft. Several niche products of tourism like cruise, adventure, medical, wellness, gold, polo, MICE, Eco Tourism, film tourism and sustainable tourism offer tourism opportunities in all the seasons and attract tourists with specific interest.

Annual Report 2014-2015



In spite of number of opportunities, factors like high cost and formalities for acquisition of land, high and cascading taxes, requirement of multiple approvals and delays in receipt of approval, corruption, lack of infrastructure and proper transport facilities in some area, security and safety of tourist, maintenance and cleanliness of tourist location, begging and cheating etc. acts as deterring factors and concerns for the tourism industry.

Political turbulence, terrorism, communal riots, racism, natural calamity, epidemics are few threats to the industry. The Audit Committee and the Board periodically discuss the significant business risks identified by the Management and review the measures taken for their mitigation.

REVIEW OF OPERATIONAL AND FINANCIAL PERFORMANCE

The Company has achieved an aggregate revenue of Rs. 13,930.63 lakhs for the financial year ended on 31st March, 2015 as against the revenue of Rs. 15,679.06 lakhs for the previous financial year. The loss after taxes for the year under review was Rs. 5,915.69 lakhs as against loss after taxes of Rs. 23,260.69 lakhs for the previous year. The Average Room Rate, during the year under review was recorded at Rs. 5,355/- at The Orchid as compared to Rs. 5,213/- in the previous year and at Rs. 3,284 /- at VITS as compared to Rs. 3,148/- 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.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company has 1090 employees as on 31st March, 2015. The Company values its employees as its key assets. Efforts are made on an ongoing basis to improve the efficiency of the employees by way of training, providing them with better working conditions and keeping them motivated at all times. Employees are provided opportunity to grow and prosper. The authority and responsibility chain is clearly defined and the employees are free to convey their ideas and suggestions to their superiors. Team meetings are held at frequent intervals to improve communication and interactions between the employees.

CAUTIONARY STATEMENT

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

ANNEXURE "G" TO THE BOARD'S REPORT
CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY

The Company strongly believes in adopting and adhering to good corporate governance practices. It upholds the values of transparency, professionalism and accountability and endeavors to maintain these values on ongoing basis.

MANAGEMENT DISCUSSION AND ANALYSIS

The management discussion and analysis forms part of the Board's Report.

BOARD OF DIRECTORS

Composition, category of directors and their attendance at Board Meetings and last Annual General Meeting (AGM):

The Board of Directors has an optimum combination of executive and non-executive independent directors including one woman director. The Chairman of the Board is an executive director and not less than half of the Board comprises of independent directors as on 31st March, 2015. The Board comprises of four directors including one executive director, one Non Executive Director (Promoter) and two non-executive independent directors. The directors are 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 Boards and Board committees of other public limited companies and attendance of each director at the Board meetings and last 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 DIN No. 00195341	Executive Chairman & Managing Director (Promoter)	5	-	-	5	Yes
Mr. S. S. Thakur** DIN No. 00001466	N.A.	N.A.	N.A.	N.A.	1	N.A.
Mrs. Rajyalakshmi Rao *** DIN No. 00009420	N.A.	N.A.	N.A.	N.A.	2	N.A.
Mr. Vikram V. Kamat DIN No. 00556284	Non Executive Director (Promoter)	4	-	2	5	Yes
Mr. Dinkar D. Jadhav DIN No. 01809881	Independent Non-Executive Director	1	1	1	5	Yes
Mr. Rohhan A. Divanji **** DIN No. 005258069	N.A.	N.A.	N.A.	N.A.	2	Yes
Ms. Himali H. Mehta# DIN No. 07037244	Independent Non-Executive Director	-	-	-	2	N.A.
Ms. Gayatri Devadiga***** DIN No. 07037193	N.A.	N.A.	N.A.	N.A.	1	N.A.

* Excluding 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.

** Mr. S. S. Thakur resigned as Director of the Company w.e.f. 30th May, 2014.

*** Mrs. Rajyalakshmi Rao resigned as Director of the Company w.e.f. 25th September, 2014.

**** Mr. Rohhan A. Divanji resigned as Director of the Company w.e.f. 21st November, 2014.

***** Ms. Gayatri Devadiga resigned as Director of the Company w.e.f. 21st January, 2015.

Ms. Himali H. Mehta was inducted on the Board of the Company w.e.f. 20th December, 2014.

During the financial year 2014-2015, five Board meetings were held on 28th May, 2014, 9th August, 2014, 8th November, 2014, 20th December, 2014 and 14th February, 2015. The maximum time gap between any two board meetings was not more than 120 days. Leave of absence was granted to directors 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.

No independent director of the Company is serving as independent director in more than seven listed companies. Further, no independent director of the company is serving as a whole time director in any listed company. Every director has informed the company about the committee positions he occupies in other companies. 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. For the purpose of reckoning these limits, chairmanship and membership of the Audit Committee and the Stakeholders Relationship Committee alone have been considered.

All the necessary information as required by Clause 49 of the Listing Agreements signed by the Company with the Stock Exchanges is placed before the Board.

BOARD'S FUNCTION AND PROCEDURE

The Board of Directors, in its meetings, focuses mainly on reviewing and guiding corporate strategy, major plans of actions, risk policy, annual budgets and business plans, setting performance objectives, monitoring implementation and corporate performance, overseeing major capital expenditure, acquisitions and disinvestments, monitoring the effectiveness of governance practices and also deals with important issues relating to business development, internal controls, regulatory compliances, selecting, compensating, monitoring and if necessary, replacing key managerial personnel of the company and overseeing succession plan, aligning key executive and 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, ensuring the integrity of the company's accounting and financial reporting systems, overseeing the process of disclosure and communications, monitoring and reviewing board evaluation framework and other matters which need to be considered by the Board for ensuring good corporate governance and enhancing the Company's network and value to the shareholders. The Board also reviews the performance of all the divisions of the Company.

COMMITTEES OF THE BOARD

The Board has constituted the following committees in conformity with the applicable statutory requirements and the Listing Agreements entered into between the Company and the Stock Exchanges.

AUDIT COMMITTEE

The Company has set up a qualified and independent Audit Committee. The present Chairman of the Committee, is Mr. Dinkar D. Jadhav, non-executive independent director. He has expertise in administration and management. Ms. Himali H. Mehta, non-executive independent director and Mr. Vikram V. Kamat, director are other members of the Committee. Mr. Dinkar D. Jadhav is B.sc. with Physics and Mathematics and has done diploma in Business Management. His forward thinking approach and ability to innovate are his key strengths. Ms. Himali H. Mehta, who was inducted as a member of the Audit Committee with effect from 20th December, 2014 is M.E. Environmental Engineer and B. E. Civil Engineer with varied and rich professional experience in different field including environment. She was principal scientist and in charge head (Bio-conversion Technology Division) at Sardar Patel Renewable Energy Research Institute (SPRERI), Gujarat during June 2007 to March 2012. Prior to June, 2007, she had also worked as Programme Officer with Vikram Sarabhai Centre for Development Interaction (VIKSAT), Ahmedabad and as Lecturer, S. V. Regional College of Engineering and Technology, Surat. She has published several research papers on subjects related to her profession. Her rich heritage of experience would enhance the working of the Audit Committee.

Two third of the 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 terms of reference of the Audit Committee are in conformity with clause 49 of the Listing Agreement. Accordingly, the role of the Audit Committee is, inter-alia, to oversee the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible, recommendation for appointment, remuneration and terms of appointment of auditors and reviewing their performance including reviewing and monitoring the auditor's independence and effectiveness of audit process, approval for payment to statutory auditors for other services rendered by the statutory auditors, reviewing with the management, the quarterly and annual financial statements and auditor's report thereon before submission to the board for approval, evaluation of internal control and risk management systems and compliance of generally accepted accounting principles, approval or any subsequent modification of related party transactions, scrutiny of inter corporate loans and investments, discussion with the internal auditors of any significant findings, reviewing with the management performance of internal auditors, adequacy of internal control systems including structure of internal audit department, discussion with statutory auditors about the nature and scope of audit as well as post audit discussion to ascertain any area of concern, to look in to the reasons for substantial defaults in the payment to creditors and to review functioning of whistle blower mechanism/vigil Mechanism and approval of appointment of CFO.

The Audit Committee reviews management discussion and analysis of financial condition and result of operations, statement of significant related party transactions, management letters/letters of internal control weaknesses issued by the statutory auditors and internal audit report relating to internal control.

During the year under review, four meetings of the Audit Committee were held on 28th May, 2014, 9th August, 2014, 8th November, 2014 and 14th February, 2015. The composition of the Audit Committee alongwith attendance at its meetings is as follows:

Sr. No.	Name of the Member	Category	Meetings attended
1	Mr. S. S. Thakur*	Chairman	1
2	Mr. Dinkar D. Jadhav	Chairman	4
3	Mr. Vikram V. Kamat	Member	4
4	Rohhan A. Divanji**	Member	1
5	Himali H. Mehta***	Member	1

Annual Report 2014-2015



- * Resigned from office of Director w.e.f. 30th May, 2014.
 ** Resigned from office of Director w.e.f. 21st November, 2014
 *** Inducted as Member of the Audit Committee w.e.f. 20th December, 2014.

The Statutory Auditors, Internal Auditors, Chief Financial Officer and Vice President – Finance attend the meetings of the Audit Committee upon invitation. The Company Secretary, Mr. Mahesh Kandoi, acts as secretary of the Committee.

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

NOMINATION AND REMUNERATION COMMITTEE

The Company has through its Board of Directors, constituted a Nomination and Remuneration Committee comprising of three directors, namely, Mr. Dinkar D. Jadhav, Mr. Vikram V. Kamat and Ms. Himali H. Mehta. Mr. Dinkar D. Jadhav, Chairman of the Nomination and Remuneration Committee is an independent director.

The scope and broad terms of reference of the Nomination and Remuneration Committee include inter alia, the following:

1. To formulate the criteria for determining qualifications, positive attributes and independence of a director.
2. To 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 the Nomination and Remuneration policy.
3. To recommend to the Board, appointment and removal of Director, KMP (Key Managerial Personnel) and Senior Management Personnel.
4. To review the remuneration package of the executive directors and recommend suitable annual revision within the upper limit sanctioned by the members.
5. To recommend compensation, if any, to the non-executive directors in accordance with the Companies Act, 2013.
6. Formulate criteria for evaluation of independent directors and the Board.
7. Devising a policy on Board Diversity.
8. Such other powers, role and scope as may be provided under any Act, Rules, Regulation, listing agreement and other regulatory requirements.

The Committee has formulated a Nomination and Remuneration Policy, which inter alia includes criteria like integrity, qualification, expertise, experience, age etc for appointment of Directors and KMPs.

Details of the composition of the Nomination and Remuneration Committee and attendance of the members at its meetings are as follows:

Sr. No	Name of the Member	Category	Meetings Attended
1	Mr. S. S. Thakur (resigned from the office of director w.e.f 30 th May, 2014.)	Chairman	1
3	Mr. Dinkar D. Jadhav	Chairman	3
4	Mrs. Rajyalakshmi Rao (Resigned from the office of Director w.e.f 25 th September, 2014.)	Member	2
5	Mr. Vikram V. Kamat	Member	3
6	Ms. Himali H. Mehta *	Member	N.A

* Inducted as member of the Nomination and Remuneration Committee w.e.f. 20th December, 2014.

Three meetings of the Nomination and Remuneration Committee were held on 28th May, 2014, 9th August, 2014 and 20th December, 2014. The Company Secretary, Mr. Mahesh Kandoi is secretary of the Committee.

Details of remuneration paid to the Executive Directors during the year 2014-15 are:

Name of the Director & Designation	Salary (Rs.)	Perquisites (including club fees)	Tenure/ Notice period / Severance fees
Dr. Vithal V. Kamat Executive Chairman and Managing Director	96,00,000/-	9,57,202/-	Tenure: 1st October, 2013 to 30 th September, 2016 Notice Period: Six Months Severance fees: NIL
Mr. Vikram V. Kamat Executive Director upto 30-9-2014	15,00,000/-	1,38,240/-	Tenure: 1 st October, 2011 to 30 th September, 2014 Notice Period: Three Months Severance fees: NIL

No payment of commission to the Executive and Non-Executive Directors was made for the period from 1st April, 2014 to 31st March, 2015.

Annual Report 2014-2015



DETAILS OF SITTING FEES PAID TO NON EXECUTIVE DIRECTORS

Name of the Director	Amount in Rs.
Mr. S. S. Thakur	45,000
Mr. Dinkar D. Jadhav	1,50,000
Mrs. Rajyalakshmi Rao	50,000
Mr. Rohhan Divanji	50,000
Ms. Himali H. Mehta	50,000
Ms. Gayatri Devadiga	25,000
Total	3,70,000

No Bonus, stock options, or performance linked incentives were provided to any of the Directors of the Company during the period from 1st April, 2014 to 31st March, 2015.

NUMBER OF SHARES AND CONVERTIBLE INSTRUMENTS HELD BY NON- EXECUTIVE DIRECTORS:

Mr. Vikram V. Kamat: 500 shares.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The composition of the Stakeholders Relationship 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

A meeting of the Stakeholders Relationship Committee was held on 28th May, 2014, during the financial year 2014-2015.

The Company Secretary, Mr. Mahesh Kandoi is the compliance officer and he acts as the secretary of the 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.

The scope and broad terms of reference of the Stakeholders Relationship Committee are:

- To look into shareholders' complaints, if any, and to redress the same.
- To approve requests for issue of duplicate share certificates due to loss, misplacement, mutilation etc. of original share certificates and also to deal with requests for transmission of shares referred by the Share Transfer Committee.

As certified by the Share Transfer Agents M/s. Link Intime India Private Limited, the Company has, during the year under review, received 6 shareholders' complaints, which were promptly responded and resolved to the satisfaction of the concerned shareholders. As on 31st March, 2015 there was no pending shareholders' complaint with the Company.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

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. S. S. Thakur,* Non Executive Independent Director	Chairman (upto 30 th May, 2014)	1
2.	Mr. Dinkar D. Jadhav, Non Executive Independent Director	Chairman (w.e.f. 9 th August, 2014)	1
3.	Mr. Vikram V. Kamat, Director	Member	1
4	Ms. Himali H. Mehta (inducted w.e.f. 14 th February, 2015)	Member	N.A.

* Mr. S.S. Thakur resigned as the Director of the Company w.e.f. 30th May, 2014

The Company Secretary, Mr. Mahesh Kandoi acts as the secretary of the Committee.

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

Particulars	FY-2011-2012 AGM	FY-2012-2013 AGM	FY-2013-2014 AGM
Date	15 th September, 2012	21 st September, 2013	10 th September, 2014
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.	3.00 p.m.

No Special Resolution was passed at the Annual General Meeting held on 15th September, 2012. Five Special Resolutions were passed at the Annual General Meeting held on 21st September, 2013. Eight Special Resolutions were passed at the Annual General Meeting held on 10th September, 2014.

POSTAL BALLOT

No Special Resolution has been passed through Postal Ballot last year. The Company has proposed to pass 10 Special Resolutions through Postal Ballot.

The Postal Ballot Notice dated 30th May, 2015 contains detailed procedure for Postal Ballot.

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, Orchid Hotels Pune Private Limited with effect from 31st October, 2013. 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/hospitality-management/POLICY%20FOR%20DETERMINING%20MATERIAL%20SUBSIDIARY%20OF%20THE%20COMPANY.pdf>

DISCLOSURES

CEO and CFO Certification:

The Executive Chairman and Managing Director and Chief Financial Officer have given a certificate to the Board as contemplated in Clause 49 of the Listing Agreement.

Related Party Transactions:

During the year under review, no Material Related Party Transactions, i.e. transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements, were entered into by your Company. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) (h) of the Companies Act, 2013 in Form AOC 2 is not applicable.

Compliance:

The Company has complied with various rules and regulations prescribed by SEBI or any other statutory authorities relating to the capital market. The Company is compliant with all the mandatory clauses of the Listing Agreement.

No penalties/strictures have been imposed on the Company by Stock Exchanges, SEBI or any regulatory authority for non- compliance of any law on any matter related to capital market, during the last three years.

Whistle Blower/Vigil Mechanism:

The Vigil Mechanism for directors and employees to report genuine concerns and for providing adequate safeguards against victimization of person who use Vigil Mechanism and also to provide for direct access to the Chairman of the Audit Committee was formulated and adopted by the Board of Directors of the Company at its meeting held on 22nd March, 2014. The same is posted on the website of the Company and its weblink is <http://www.khil.com/hospitality-management/WHISTLE%20BLOWER%20POLICY%20-%20VIGIL%20MECHANISM.pdf>. No personnel has been denied access to the Audit Committee.

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 i.e. www.khil.com. Annual compliance declaration is obtained from every person covered by the Code.

Risk Management:

The Audit Committee and the Board periodically discuss the significant business risks identified by the Management and review the measures taken for their mitigation.

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

Annual Report 2014-2015



MEANS OF COMMUNICATION

The statements of quarterly financial results are furnished to the stock exchanges immediately after the conclusion of the Board Meeting.

The financial results are published in English Daily Free Press Journal or Business Standard and Marathi Daily Navshakti or Mumbai Lakshadweep newspaper.

The Company's Annual Report is posted on the website www.khil.com

The Company regularly updates its website regarding the information pertaining to the shareholders.

The shareholders can contact the Company Secretary for necessary information through the following routes:

Telephone No.: 022-26164000; Fax No. 26164203; Email id: cs@khil.com; Website: www.khil.com

GENERAL SHAREHOLDERS INFORMATION

- Annual General Meeting
Date: 12th September, 2015
Time: 3.30 P.M.
Venue: "Shubham Hall", Landmark Building, Opposite Vile Parle Railway Station, Junction of Besant Road and V. P. Road, Vile Parle (West), Mumbai – 400 056.
- Tentative Financial Calendar 2015-16
Audited Annual Accounts for the year 2014 –2015 30th May, 2015 (B M)*
Unaudited 1st quarter Results (June 30, 2015) 8th August, 2015
Mailing of Annual Report on or before 17th August, 2015
Annual General Meeting 12th September, 2015
Unaudited 2nd quarter Results (September 30, 2015) 7th November, 2015 (B M)*
Unaudited 3rd quarter Results (December 31, 2015) 6th February, 2016 (B M)*
Unaudited 4th quarter Results (March 31, 2016) By 30th April, 2016 (B M)*
In case of audited results for the financial year 2015-16 By 30th May, 2016 (B M)*
* (B M) – Board Meeting
- Dates of book closure: from Tuesday, 1st September, 2015 to Saturday, 12th September, 2015 (both days inclusive)
- Dividend payment date for Dividend 2014-2015: -N.A.
- 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
The Company has paid listing fee to all the Stock Exchanges upto the financial year 2015-2016.
- Stock Market Price Data

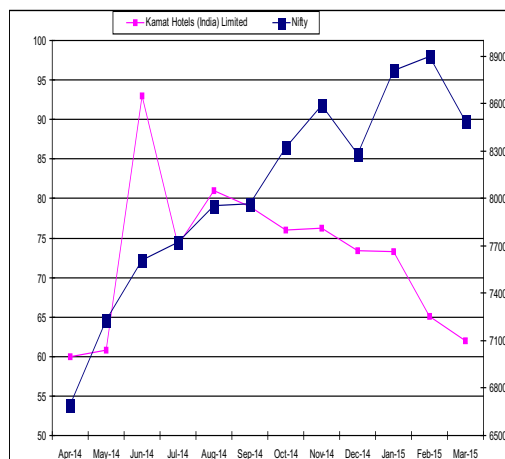
Month	Bombay Stock Exchange Limited		National Stock Exchange of India Limited	
	High (Rs)	Low (Rs)	High (Rs)	Low (Rs)
April 2014	63	52.20	61.65	54.25
May 2014	67.70	54.55	70	55.15
June 2014	113.45	61.50	113	59.10
July 2014	101.85	80	93.80	73
August 2014	86.80	72.50	83.95	71.55
September 2014	88.95	75.10	89.25	72
October 2014	82	70.05	85	66.70
November 2014	89	70.30	92	75.05
December 2014	85	62.15	91.95	68.35
January 2015	83.95	68	75.65	67.40
February 2015	82.85	65.15	79.35	63.10
March 2015	70.90	55.30	73	56.35

Annual Report 2014-2015

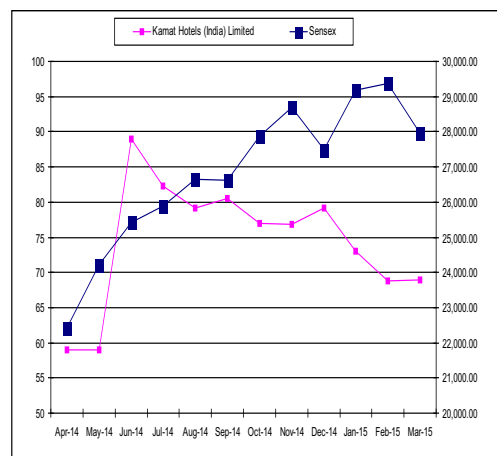


7. Performance in comparison to Nifty and Sensex:

National Stock Exchange (Nifty):



Bombay Stock Exchange (Sensex):



8. Registrars and Share Transfer Agents

Link Intime India Private Limited.

C-13, Pannalal Silk Mills Compound,

L. B. S. Marg, Bhandup (West), Mumbai – 400 078.

Tel No. 2596 3838 and Fax No. 2594 6969.

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

9. 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. Vikram V. Kamat - Director

The Company Secretary, Mr. Mahesh Kandoi, acts as the Secretary of the Committee.

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

10. Distribution of Shareholdings as on 31st March, 2015.

Shareholding of Nominal Value Rs.		Number of Shareholders	% of Total	Nominal value Rs.	% of Total
1	5,000	5,987	93.8107	68,37,700	2.8993
5,001	10,000	214	3.3532	17,36,800	0.7364
10,001	20,000	92	1.4416	14,50,390	0.6150
20,001	30,000	32	0.5014	8,06,180	0.3418
30,001	40,000	10	0.1567	3,36,020	0.1425
40,001	50,000	4	0.0627	1,94,000	0.0823
50,001	1,00,000	16	0.2507	11,83,870	0.5020
Above 1,00,001		27	0.4231	22,32,95,620	94.6807
Total		6,382	100.0000	23,58,40,580	100.0000

Annual Report 2014-2015



Category of Shareholdings as on 31st March, 2015.

Category	Shares	% of Total
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	80,22,136	34.0151
Public:		
- Corporate Bodies	1,19,291	0.5058
- Individual and Others	10,79,671	4.5780
Total	2,35,84,058	100.00

11. Dematerialisation of Shares

As on 31st March, 2015, 2,32,56,046 equity shares (98.61% 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.

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

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

13. 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 –61517555.
3. Fort Jadhavgadh, Jadhav Wadi, Saswad, Pune-412301, Tel. No. 02115-238475/305200.
4. VITS Nashik, Near Nasardi Bridge, Nashik Pune Road, Nashik – 422001, Tel. No. 0253 2413376 / 0253 6636999.
5. Lotus Konark, Ramchandi, Orissa, Tel. No. (06758) 236161 / 62 / 63.
6. Fort 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.
8. Vithal Kamats Original Family Restaurants at:
 - i) 37/2, Mumbai-Goa Highway, Near Karnala Bird Sanctuary, Village Chinchvan, Panvel, District Raigad 410206, Mobile- 9004075986.
 - ii) Pride Manor- Shaan Complex, Village Sawarkhand, Mastan Naka, NH 08, Manor, Taluka Palghar, District Thane 401403, Mobile-9987573840.
 - iii) Treeo Manor- NH 08, Manor, Taluka Palghar, District Thane 401 403, Mobile-9987579826.

14. Address for Correspondence:

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

Person: Mr. Mahesh Kandoi, Company Secretary and Compliance Officer, Telephone: 022 - 26164000, Fax: 022 26164203, Email: cs@khil.com, Website: www.khil.com

15. 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, 2015, as envisaged in clause 49 of the listing agreement with stock exchanges - Dr. Vithal V. Kamat, Executive Chairman and Managing Director.

16. Disclosure of relationship between directors:

Name of the Director

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

Relationship

Father of Mr. Vikram V. Kamat, Director

Place: Mumbai
Date: 30th May, 2015

ON BEHALF OF BOARD OF DIRECTORS

Dr. Vithal V. Kamat

(DIN: 00195341)

Executive Chairman and Managing Director

**AUDITORS' CERTIFICATE
ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE
UNDER CLAUSE 49 OF THE LISTING AGREEMENTS**

To the shareholders 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, 2015 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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 Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company and presented to the Shareholders Grievance Committee.

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: 30th May, 2015

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 Balance Sheet as at 31st March, 2015, 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 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, 2015, and its loss and its cash flows for the year on that date.

Matter of Emphasis

Attention is invited to:

1. Note No. 15.1 to the financial statements with regard to investment made and loan and interest receivable from Orchid Hotels Pune Private Limited, a wholly owned subsidiary of the Company and provision of Rs. 23,844.56 lakhs made for doubtful amounts and no provision required for any diminution in the value of investment of Rs. 9,327.75 lakhs in the aforesaid subsidiary.
2. Note 6.5 to the financial statements with regard to non-provision of interest liability of Rs. 530.03 lakhs, in respect of two lenders as the same is disputed by the Company.
3. Note 39 to the financial statement with regard to default in repayment of part of the secured loans dues and failure of CDR mechanism during the year and its impact.
4. Note 40 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 39 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, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure 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.
 - (v) On the basis of written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Sub-Section (2) of Section 164 of the Act.
 - (vi) 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:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 31 to the financial statements.
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

J.G.VERMA
Partner
Membership No. 5005

Mumbai: 30th May, 2015

ANNEXURE TO THE AUDITORS' REPORT

The Annexure referred to in our report to the members of **Kamat Hotels (India) Limited** for the year ended 31st March, 2015. 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.
2. (a) As explained to us, physical verification of inventories has been conducted by the management at reasonable intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records of the Company, we are of the opinion that the Company is maintaining proper records of inventory. Discrepancies, which were noticed on physical verification of inventory as compared to book records, 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 or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013:

The Company has granted following unsecured loans to its wholly owned subsidiaries:

- (A) Rs. 19,646.40 lakhs to Orchid Hotels Pune Private Limited (OHPPL). 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 during the year under report. 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 the year under report.
- (B) Rs. 827.66 lakhs to Fort Mahodadhinivas Palace Private Limited (FMPPL).
- (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 FMPPL has been charged but partially recovered.
- (c) There was no overdue amount in excess of Rupees one lakh in respect of the principal amount of the OHPPL loan given by the Company. The outstanding interest receivable on this loan as at 31st March, 2015 was Rs. 4,198.16 lakhs, which could not be recovered and provided for as doubtful of recovery. In respect of FMPPL loan, there was no overdue amount in excess of Rupees one lakh in respect of principal amount. The outstanding interest receivable on FMPPL Loan as at 31st March, 2015 was Rs. 85.62 lakhs.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
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 Companies Act 2013 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 of the Company under sub-section (1) of section 148 of the Companies 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, wealth-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, wealth 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 are as under:

Name of the Stature / Nature of the dues and period	Amount involved (Rupees in lakhs)	Forum where dispute is pending
Income-tax on regular assessment under Income Tax Act, 1961 - Assessment year 2006-07	10.73 ^(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)
VAT on regular assessment under Maharashtra Value Added Tax Act, 2002 – Year 2005-06	15.40 ^(e)	Joint Commissioner of Sales-tax (Appeals)
VAT on regular assessment under Maharashtra Value Added Tax Act, 2002 – Year 2006-07	18.64 ^(e)	Joint Commissioner of Sales-tax (Appeals)
VAT on regular assessment under Maharashtra Value Added Tax Act, 2002 – Year 2007-08	15.42 ^(e)	Joint Commissioner of Sales-tax (Appeals)
VAT on regular assessment under Maharashtra Value Added Tax Act, 2002 – Year 2008-09	15.95 ^(e)	Joint Commissioner of Sales-tax (Appeals)
VAT on regular assessment under Maharashtra Value Added Tax Act, 2002 – Year 2009-10	61.71 ^(e)	Joint Commissioner of Sales-tax (Appeals)
VAT on regular assessment under Maharashtra Value Added Tax Act, 2002 – Year 2010-11	8.91 ^(e)	Joint Commissioner of Sales-tax (Appeals)
Luxury Tax on regular assessment under Maharashtra Tax on Luxury Act, 1987 – Year 2011-12	1.11	Joint Commissioner of Sales-tax (Appeals)

(a) A sum of Rs. 2.28 lakhs has been recovered by the Department against this demand.

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

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

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

(e) A sum of Rs. 16.00 lakhs has been deposited by the company against this demand, pending disposal of appeal.

(c) The Company has transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under within time.

8 The Company's accumulated losses at the end of the financial year are in excess of fifty percent of its net worth and the Company has incurred cash losses during the financial year under report, however no such cash losses have been incurred during the immediately preceding financial year.

9 In our opinion and according to the information and explanations given to us, the Company has defaulted in (i) payment of interest of Rs. 4,748.06 lakhs to a financial institution and banks consisting of delays of 1 day to 397 days, (ii) payment of principal of Rs. 31,993.87 lakhs to a financial institution and banks consisting of delays of 1 day to 366 days, during the year under report. The Company has not borrowed any money by way of debentures.

Annual Report 2014-2015



- 10 The Company has given a guarantee of Rs. 20,434.00 lakhs to a bank for a secured loan taken by its wholly owned subsidiary, viz. Orchid Hotels Pune Private Limited (OHPPL). OHPPL defaulted in repayment of loan and payment of interest to the said bank during the year and accordingly it was declared a non-performing asset by the said bank and proceedings under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 have been initiated against the subsidiary by the said bank in the previous year, which are continuing. Considering the aforesaid development coupled with various other adverse factors being faced by the said subsidiary and the fact that said guarantee is not covered by any security, the same, in our opinion, is prejudicial to the interest of the Company. In our opinion, the terms and conditions on which the Company has given other guarantee for loan taken by a joint venture company from bank, are prima facie not prejudicial to the interest of the Company.
- 11 According to the information and explanations given to us, term loan taken during the year was applied for the purpose for which the same was obtained.
- 12 To the best of our knowledge and belief, and according to the information given to us, no fraud by the Company and no significant fraud on the Company has been noticed or reported during the year.

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

J.G.VERMA
Partner
Membership No. 5005

Mumbai: 30th May, 2015

BALANCE SHEET AS AT 31ST MARCH, 2015

	NOTE	AS AT 31ST MARCH, 2015	₹ In Lakhs AS AT 31ST MARCH, 2014
<u>EQUITY AND LIABILITIES:</u>			
Shareholders' Funds:			
(a) Share Capital	3	2,417.26	2,417.26
(b) Reserves and Surplus	4	(5,056.75)	1,418.95
		(2,639.49)	3,836.21
Share Application Money	5	-	185.00
Non-Current Liabilities:			
(a) Long-Term Borrowings	6	19,501.42	21,344.03
(b) Deferred Tax Liabilities (Net)	7	-	541.19
(c) Other Long-Term Liabilities	8	2,877.33	2,679.59
(d) Long-Term Provisions	9	165.89	139.32
		22,544.64	24,704.13
Current Liabilities:			
(a) Short-Term Borrowings	10	704.41	767.27
(b) Trade Payables	11	1,342.91	2,123.24
(c) Other Current Liabilities	12	33,028.53	25,395.40
(d) Short-Term Provisions	13	149.24	111.54
		35,225.09	28,397.45
		55,130.24	57,122.79
<u>ASSETS:</u>			
Non-Current Assets:			
(a) Fixed Assets:			
(i) Tangible Assets	14	32,788.95	35,215.65
(ii) Intangible Assets	14	31.97	48.12
(iii) Capital Work-In-Progress	14	-	16.59
		32,820.92	35,280.36
(b) Non-Current Investments	15	9,879.84	9,879.84
(c) Long-Term Loans and Advances	16	1,421.67	401.62
(d) Other Non-Current Assets	17	8,152.90	8,150.77
		52,275.33	53,712.59
Current Assets:			
(a) Current Investments	18	4.70	5.00
(b) Inventories	19	449.24	412.73
(c) Trade Receivables	20	1,160.28	1,502.43
(d) Cash and Bank Balances	21	666.07	793.46
(e) Short-Term Loans and Advances	22	426.25	643.11
(f) Other Current Assets	23	148.37	53.47
		2,854.91	3,410.20
		55,130.24	57,122.79
SIGNIFICANT ACCOUNTING POLICIES			
THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS			
	2		
	1 to 41		

As per our report of even date

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

J. G. Verma
Partner
Membership No. 5005

For and on behalf of Board of Directors

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

Kurian Chandy
Chief Financial Officer

Vikram V. Kamat
Director
(DIN : 00556284)

Mahesh Kandoi
Company Secretary

Mumbai: 30th May, 2015

Annual Report 2014-2015



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

₹ In Lakhs

		YEAR ENDED	
	NOTE	31ST MARCH, 2015	31ST MARCH, 2014
INCOME:			
Revenue from Operations	24	13,331.53	13,406.82
Less: Excise Duty		0.24	1.06
		13,331.29	13,405.76
Other Income	25	599.34	2,273.30
Total Revenue		13,930.63	15,679.06
EXPENSES:			
Cost of Food and Beverages Consumed	26	1,263.95	1,371.68
Employee Benefit Expense	27	3,220.43	3,269.46
Other Expenses	28	6,129.77	4,869.57
Total Expenses		10,614.15	9,510.71
Profit/(Loss) before Finance Costs, Depreciation, Exceptional Items and Tax:		3,316.48	6,168.35
Less: Finance Costs	29	7,948.21	5,735.27
Depreciation and Amortisation Expenses (Refer Note 38)	14	1,837.84	1,438.52
Profit/(Loss) Before Exceptional Items and Tax		(6,469.57)	(1,005.44)
Exceptional Items	30	-	(23,805.16)
Profit/(Loss) Before Tax		(6,469.57)	(24,810.60)
Tax Expense:			
Current Tax		117.18	252.00
Prior Period Adjustments - Income Tax		26.09	28.92
Deferred Tax	7	(541.19)	(1,830.83)
		(397.92)	(1,549.91)
Less: MAT Credit Entitlement - Earlier years		155.96	-
		(553.88)	(1,549.91)
Profit/(Loss) for the year		(5,915.69)	(23,260.69)
Earning Per Equity Share of face value of ₹10/- each			
Basic (In ₹)	32	(25.08)	(111.67)
Diluted (In ₹)	32	(25.08)	(111.67)
SIGNIFICANT ACCOUNTING POLICIES	2		
THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS	1 to 41	.	

As per our report of even date

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

J. G. Verma
Partner
Membership No. 5005

For and on behalf of Board of Directors

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

Kurian Chandy
Chief Financial Officer

Vikram V. Kamat
Director
(DIN : 00556284)

Mahesh Kandoi
Company Secretary

Mumbai: 30th May, 2015

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

₹ In Lakhs

PARTICULARS	YEAR ENDED	
	31ST MARCH, 2015	31ST MARCH 2014
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit / (Loss) for the year before tax and adjustments	(6,469.57)	(24,810.60)
Adjustments for:		
Depreciation	1,837.84	1,438.52
Amortisation of Advance Time Share Membership	(73.86)	(73.86)
(Profit) / Loss on Sale/ Discard of Fixed Assets / Operating Supplies	(251.02)	52.29
Loss on Diminution of Investments	0.31	-
Liabilities and Provisions written Back	(36.35)	(135.02)
Provision for Employee Benefits	93.15	9.18
Provision for Wealth Tax	0.83	0.92
Incomplete Project Expenses written off	-	241.73
Provision for Doubtful Loans (Subsidiary)	-	19,646.40
Provision for Doubtful Interest Receivable (Subsidiary)	-	4,198.16
Forfeiture of Advance for Property	-	(300.00)
Provision for Doubtful Debts and Advances	661.40	158.07
Dividend income	(0.50)	(0.13)
Interest income	(136.19)	(2,034.75)
Interest Expenses	7,948.21	5,735.27
Operating profit before working capital changes	3,574.25	4,126.18
Trade Receivables and Loans and Advances	(1,111.21)	(348.51)
Inventories	(36.51)	0.69
Trade Payables and Provisions	(134.27)	(645.76)
Cash generated from operations	2,292.26	3,132.60
Direct taxes (Net)	(1.58)	493.40
Net cash generated from operating activities	2,290.68	3,626.00
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(133.86)	(245.11)
Sale of Fixed Assets	446.46	48.33
Forfeiture of Advance for Property	-	300.00
Loan to Subsidiary Company	-	2.59
Margin Money with Banks	97.86	84.99
Interest Received	41.28	192.52
Dividend Received	0.50	0.13
Net cash generated from / (used in) investing activities	452.24	383.45

Annual Report 2014-2015



CASH FLOW STATEMENT (31.03.2015) CONTD..

₹ In Lakhs

PARTICULARS

YEAR ENDED

31ST MARCH, 2015	31ST MARCH 2014
13.00	-
(109.28)	(531.43)
18.54	12.71
(62.86)	(396.52)
-	485.00
(185.00)	-
(2,443.38)	(3,435.57)
(3.48)	(2.19)
(2,772.46)	(3,868.00)
(29.53)	141.47
657.71	516.24
628.18	657.71
587.59	597.35
37.75	52.67
2.05	7.36
0.79	0.33
628.18	657.71

C. CASH FLOW FROM FINANCING ACTIVITIES:

Proceeds from long term borrowings		
Repayment of long term borrowings		
Proceeds from short term borrowings		
Repayment of short term borrowings		
Share Application Money Received / Proceeds from Issue of Fresh Equity		
Share Application Money Refunded		
Interest paid		
Dividend paid		

Net cash generated from / (used in) financing activities

NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS

CASH AND CASH EQUIVALENTS AS AT 01.04.2014 (Opening Balance)

CASH AND CASH EQUIVALENTS AS AT 31.03.2015 (Closing Balance)

Components of Cash and Cash Equivalents

- Balance with Banks		
- Cash on hand		
- Cheques on hand		
- Foreign Exchange in hand		

Total Cash and Cash Equivalents (Note No. 21)

SIGNIFICANT ACCOUNTING POLICIES

Note 2

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

Note 1 to 41

As per our report of even date

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

J. G. Verma
Partner
Membership No. 5005

For and on behalf of Board of Directors

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

Kurian Chandu
Chief Financial Officer

Vikram V. Kamat
Director
(DIN : 00556284)

Mahesh Kandoi
Company Secretary

Mumbai: 30th May, 2015

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

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, Murud, Manor, Panvel and Wagunde), Goa (Benaulim) and Orissa (Puri, Konark), Kamats also manages hotels and restaurants owned by others at Aurangabad, Pune, Shahpur, Nashik and Solapur.

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 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 as against the earlier practice of providing depreciation at the rates prescribed in Schedule XIV to the Companies Act, 1956. 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". Refer Note 38 for change in the basis of providing depreciation.
- 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, 2015

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.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

₹ In Lakhs

3 SHARE CAPITAL :

AUTHORISED:

3,42,50,000 (Previous Year 3,42,50,000) Equity Shares of ₹ 10/- each.

ISSUED, SUBSCRIBED AND PAID UP:

2,35,84,058 (Previous Year 1,90,93,394) Equity Shares of ₹ 10/- each, fully paid up

Add: Nil (Previous Year 28,61,035) Equity Shares of ₹ 10/- each (Allotted on amalgamation) [Refer Note 3.2]

Add: Nil (Previous Year 16,29,629) Equity Shares of ₹ 10/- each (Allotted pursuant to CDR scheme) [Refer Note 3.3]

Add: Forfeited Shares Account (Amount originally paid up)

Total

AS AT 31ST MARCH, 2015	AS AT 31ST MARCH, 2014
3,425.00	3,425.00
3,425.00	3,425.00
2,358.41	1,909.34
-	286.11
-	162.96
2,358.41	2,358.41
58.85	58.85
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 During the year Company allotted Nil (Previous Year 28,61,035) Equity Shares of ₹10/- each as fully paid up to the shareholders of erstwhile Kamat Holiday Resorts Private Limited and Kamats Restaurants Private Limited merged with the Company and shareholders of Kamats Holiday Resorts (Silvassa) Limited as a consideration for merger of its Lotus Goa Resorts during the year 2011-12.

3.3 During the year the Company further allotted Nil (Previous Year 16,29,629) Equity Shares of ₹ 10/- each as fully paid up at a premium of ₹ 125/- per Equity Share to two promoters owned Companies towards meeting part of promoters' obligation under CDR Scheme then in force (Refer Note 5.2)

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

Name of Shareholder	AS AT 31ST MARCH, 2015		AS AT 31ST MARCH, 2014	
	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	76,28,149	32.34	76,28,149	32.34

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

Particulars

Equity Shares at the beginning of the year

Add: Equity Shares issued to shareholders of merged companies on amalgamation

Add: Equity Shares issued to promoters owned companies (under CDR Scheme)

Equity Shares at the end of the year

AS AT 31ST MARCH, 2015 No of Shares	AS AT 31ST MARCH, 2014 No of Shares
2,35,84,058	1,90,93,394
-	28,61,035
-	16,29,629
2,35,84,058	2,35,84,058

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

₹ In Lakhs

	AS AT 31ST MARCH, 2015	AS AT 31ST MARCH, 2014
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	12,949.70
Add: On issue of shares under CDR Scheme (Refer Note 3.3 and 5.2)	-	2,037.04
	14,986.74	14,986.74
General Reserve:		
As per last accounts	3,767.09	3,767.09
Less: Transferred to Surplus/ (Deficit) in the Statement of Profit and Loss	3,767.09	-
	-	3,767.09
Amalgamation Reserve		
As per last accounts [Refer Note 5.1(b)]	280.06	280.06
	15,547.17	19,314.26
Surplus/ (Deficit) in the Statement of Profit and Loss		
As per last accounts	(17,895.31)	5,365.38
Add/ (Less): Additional Depreciation (Net of tax ₹ Nil) pursuant to enactment of Schedule II to the Companies Act 2013 (Refer Note 7.1)	(560.02)	-
Add/ (Less) : Transferred from General Reserve	3,767.09	-
	(14,688.24)	5,365.38
Add/ (Less): Profit/ (Loss) for the year	(5,915.68)	(23,260.69)
	(20,603.92)	(17,895.31)
	(5,056.75)	1,418.95
5 SHARE APPLICATION MONEY (Refer Note 5.2)		
	-	185.00
	-	185.00

5.1

(a) As directed by the Bombay High Court, in relation to "Composite Scheme of Arrangement and Amalgamation" vide order dated 13th January, 2012, the Company has made an application to the Superintendent of Stamps for the purpose of adjudication of stamp duty payable on the Scheme of Arrangement and Amalgamation. Provision for stamp duty payable will be made in the books of accounts on completion of adjudication by the stamp authorities, the amount of which is presently unascertainable.

(b) In terms of the Order dated 13th January, 2012 referred to in (a) above, the above reserve is not available for distribution as dividend by the Company.

5.2 The Company has received share application money of ₹ 1,900.00 lakhs from two promoter-owned companies in the earlier year and further ₹ 485.00 lakhs in the previous year for meeting part of promoters' obligation under CDR scheme which was in force at the relevant time. The Company allotted 16,29,629 Equity Shares of ₹ 10/- each fully paid up at a premium of ₹ 125/- per share to these companies on 8th February, 2014 and accordingly ₹ 2,200.00 lakhs has been transferred to Share Capital and Securities Premium Account during the previous year and balance share application money of ₹ 185.00 lakhs has been refunded on withdrawal of the CDR mechanism during the year.

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

6 LONG-TERM BORROWINGS

SECURED:

	AS AT 31ST MARCH, 2015		AS AT 31ST MARCH, 2014	
	Non Current	Current	Non Current	Current
A Term Loans from Banks (Refer Note 6.1 and 6.4)	15,209.04	14,749.00	11,307.78	16,716.07
B Term Loans Under Structured Mezzanine Credit Facility from banks (Refer Note 6.2)	-	6,750.68	5,865.79	884.89
C Term Loan from a Financial Institution (Refer Note 6.3 and 6.4)	4,292.38	176.00	-	3,913.45
D Term Loans From Others (Refer Note 6.3 and 6.4)	-	5,606.18	4,170.46	1,435.72
Total	19,501.42	27,281.86	21,344.03	22,950.13

6.1 Term loans from Banks including assigned loans 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, mortgage / hypothecation of Land and Building / other Movable assets of the Lotus Resorts, Silvassa owned by promoter group company, 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 Jadhavgadhd Hotels Pvt. Ltd. and Fort Mahodadhinivas 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.

6.2 Term Loans under Structured Mezzanine Credit Facility from Banks 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.

6.3 Term loans from Financial Institution and Others including assigned loans 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 Jadhavgadhd Hotels Pvt. Ltd. and Fort Mahodadhinivas 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.

6.4 During the year, 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 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 39 to Financial Statements the concerned lenders recalled their entire dues.

Some of the lenders assigned their respective loans aggregating to ₹ 25,199.38 lakhs (Prev. Year ₹ Nil) to securitisation and asset reconstruction companies during the year and after the close of the financial year. Accordingly, these loans at their restated values have been classified as Non-Current and Current Maturities in accordance with the agreements with the assignees, where such agreements have been executed and will be classified subsequently on execution of such agreements.

6.5 In respect of loans from two lenders, no provision for interest aggregating to ₹ 530.03 lakhs (Prev. Year ₹ Nil) has been made for the year ended 31st March, 2015 as the Company has not accepted their claims and matter is disputed and in one case pending before the Bombay High Court. Adjustments, if any, will be made on reconciliation / settlement and disposal of the legal case filed by the lender.

6.6 Borrowings out of the aggregate amount of Non-Current and Current portion of ₹ 46,783.28 lakhs (Prev. Year ₹ 44,294.17 lakhs), to the extent of ₹ 22,147.82 lakhs (Prev. Year ₹ Nil) are subject to confirmation from respective lenders.

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

- 6.7 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) :

	Rate of Interest (p.a.)	Maturity Profile			₹ In lakhs 4 Years & Above
		1-2 Years	2-3 Years	3-4 Years	
Term Loans from Banks	13%	802.53	1,202.88	12,703.28	500.35
Term Loan from a Financial Institution- Assigned	-	278.00	327.00	1,946.00	1,741.38

6.8 Out of the above loans, comprising of both non-current and current portion, loans aggregating to ₹ 44,294.17 lakhs (Previous year ₹ 44,294.17 lakhs) have been guaranteed by directors and others.

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

	31st March, 2015		₹ In lakhs Period of delays From - To Days
	Current	Interest	
A Term Loans from Banks	14,651.20	3,079.60	1 - 397
B Term Loans under Structured Mezzanine Credit Facility from Banks	6,173.98	921.88	1 - 366
C Term Loans From Others	4,164.87	581.71	1 - 397

	AS AT 31ST MARCH, 2015		AS AT 31ST MARCH, 2014	
7 DEFERRED TAX LIABILITY:				
Deferred tax Liability				
Related to Depreciation on Fixed Assets		4,017.78		4,023.24
Total		4,017.78		4,023.24
Deferred tax Assets				
Expenses allowable for tax purpose on payment basis		3,909.70		1,898.92
Provision for Employee Benefits		106.83		81.10
Provision for Doubtful Debts		341.12		116.44
Provision for doubtful Interest Receivable		1,426.96		1,362.09
Merger Expenses		1.07		2.04
Short Term Capital Loss		-		3.27
Long Term Capital Loss		-		18.19
Total		5,785.68		3,482.05
Deferred Tax Liability (net) after adjustments		(1,767.89)		541.19
Incremental Deferred Tax (asset) / charge for the year (Refer Note 7.1)		(2,309.08)		(1,830.83)

- 7.1 Applying the principles of Accounting Standard 22-'Accounting for Taxes on Income', Deferred Tax Assets for the 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.

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

		₹ In Lakhs	
		AS AT 31ST MARCH, 2015	AS AT 31ST MARCH, 2014
8 OTHER LONG-TERM LIABILITIES:			
Deferred Sales Tax Liability (Refer Note 8.1)		75.00	100.00
Security Deposits - Others		454.77	50.63
Security Deposits from Joint Venture Company (Refer Note 8.2)		80.00	80.00
Time Share Membership- Refundable		1,553.46	1,661.00
Income received in Advance (Time Share)		714.10	787.96
Total		2,877.33	2,679.59
8.1 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 will be due in installments from the year 2013 to 2022.			
8.2 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, 2015	AS AT 31ST MARCH, 2014
9 LONG-TERM PROVISIONS:			
Provision for Employee Benefits- Earned Leave (Refer Note 27.1.3)		165.89	139.32
Total		165.89	139.32
		₹ In Lakhs	
		AS AT 31ST MARCH, 2015	AS AT 31ST MARCH, 2014
10 SHORT-TERM BORROWINGS			
SECURED:			
Working Capital Facility from a Bank (Refer Note 10.1)		704.41	717.72
UNSECURED:			
Loans and Advances from Others		-	49.55
Total		704.41	767.27
10.1 Working Capital loan from a Bank is 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 first 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.			
		₹ In Lakhs	
		AS AT 31ST MARCH, 2015	AS AT 31ST MARCH, 2014
11 TRADE PAYABLES:			
Micro, Small and Medium Enterprises		9.60	42.01
Others		1,293.80	2,031.22
Payable to related parties		39.51	50.01
Total		1,342.91	2,123.24

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

- 11.1 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:

Particulars	₹ In Lakhs	
	AS AT 31ST MARCH, 2015	AS AT 31ST MARCH, 2014
Dues remaining unpaid at the year end:		
- Principal	9.60	42.01
- Interest	13.77	8.31
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.	4.78	4.44
Amount of interest accrued and remaining unpaid at the year end	13.77	8.31
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	0.10	0.16

12 OTHER CURRENT LIABILITIES:

	AS AT 31ST MARCH, 2015	AS AT 31ST MARCH, 2014
Current Maturities of Long-Term Debts: (Refer Note 6.4 and 6.5)		
Term Loan Banks (Refer Note 6.1 and 6.4)	14,749.00	16,716.07
Term Loans under Structured Mezzanine Credit Facility from banks (Refer Note 6.2)	6,750.68	884.89
Term Loan from a Financial Institution (Refer Note 6.3 and 6.4)	176.00	3,913.45
Term Loans from Others (Refer Note 6.3 and 6.4)	5,606.18	1,435.72
	27,281.86	22,950.13
Creditors for Capital Expenditure	21.41	67.63
Advance from customers	284.77	215.07
Income Received in Advance (Time Share)	73.86	73.86
Income Received in Advance (Others)	71.83	85.73
	145.69	159.59
Bank Balance Overdrawn	19.52	0.97
Interest Accrued And Due	4,039.53	871.01
Interest Accrued But Not Due	112.61	254.15
	4,152.14	1,125.16
Unpaid / Unclaimed Dividends (Refer Note 12.1)	6.16	9.65
Other Payables (Refer Note 12.2 and 12.3)	1,116.98	867.20
Total	33,028.53	25,395.40

12.1 There is no amount due and outstanding to be credited to Investor Education and Protection Fund as on 31st March, 2015

12.2 Includes employees dues, statutory dues and security deposits.

12.3 Includes ₹ 31.14 lakhs (Previous year ₹ Nil) payable to Orchid Hotels Pune Private Limited (wholly owned subsidiary)

13 SHORT-TERM PROVISIONS:

	AS AT 31ST MARCH, 2015	AS AT 31ST MARCH, 2014
Provision for Employee Benefits- Gratuity (Refer Note 27.1.2)	95.10	59.10
Provision for Employee Benefits- Earned Leave (Refer Note 27.1.3)	53.31	51.52
Provision for Wealth Tax (Net of payments)	0.83	0.92
Total	149.24	111.54

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

14. FIXED ASSETS :

Description	GROSS BLOCK-COST / BOOK VALUE			DEPRECIATION / AMORTISATION				NET BLOCK		
	As at 1st April, 2014	Additions / adjustments during the year	Deductions / adjustments during the year	As at 31st March, 2015	As at 1st April, 2014	For the year	Depreciation Adjustment in Opening Retained Earnings (Refer Note 38)	Deductions / adjustments during the year	As at 31st March, 2015	As at 31st March, 2014
I) <u>TANGIBLE</u>										
Land										
a) Freehold	3,405.23	-	125.78	3,279.45	-	-	-	-	3,279.45	3,405.23
b) Leasehold	31.27	-	-	31.27	0.06	-	-	-	31.21	31.21
Sub-Total	3,436.50	-	125.78	3,310.72	0.06	-	-	-	3,310.66	3,436.44
Buildings										
a) Freehold	9,599.45	-	41.74	9,557.71	2,553.31	355.36	176.08	-	3,084.75	7,046.14
b) Improvements to Buildings under Long Term Contracts	26,474.03	14.42	5.71	26,482.74	4,821.90	763.75	145.67	12.81	5,718.51	21,652.13
Sub-Total	36,073.48	14.42	47.45	36,040.45	7,375.21	1,119.11	321.75	12.81	8,803.26	28,698.27
Plant and Equipment	5,578.98	48.37	6.25	5,621.10	3,013.89	467.69	197.72	3.97	3,675.33	2,565.09
Furniture and Fixtures	1,961.11	26.45	0.30	1,987.26	1,742.21	200.17	17.96	0.30	1,960.04	218.90
Vehicles	205.98	40.70	7.55	239.13	141.99	38.40	7.42	6.61	181.20	63.99
Office Equipment	387.87	1.81	0.10	389.58	154.91	9.42	15.18	0.11	179.40	232.96
Sub-Total	8,133.94	117.33	14.20	8,237.07	5,053.00	715.68	238.28	10.99	5,995.97	3,080.94
Total	47,643.92	131.75	187.43	47,588.24	12,428.27	1,834.79	560.03	23.80	14,799.29	35,215.65
II) <u>INTANGIBLE</u>										
Computer Softwares	188.26	18.69	49.36	157.59	140.14	3.05	-	17.57	125.62	48.12
Total	188.26	18.69	49.36	157.59	140.14	3.05	-	17.57	125.62	48.12
Grand Total	47,832.18	150.44	236.79	47,745.83	12,568.41	1,837.84	560.03	41.37	14,924.91	35,263.77
Previous Year Total	47,971.00	104.31	243.13	47,832.18	11,288.93	1,438.52	-	159.04	12,568.41	36,682.07
Capital Work-in-Progress (Note 14.2)	16.59	-	16.59	-	-	-	-	-	-	16.59
Previous Year Total	117.52	(56.84)	44.09	16.59	-	-	-	-	16.59	117.52

NOTES:

- 14.1 Buildings include (i) cost of residential flats of ₹ 1.96 lakhs (Previous year ₹ 43.71 lakhs) and (ii) Cost of residential flats of ₹ 32.53 lakhs (Previous Year ₹ 32.53 lakhs).
- 14.2 Capital work-in-progress includes expenses ; General Expenses ₹ Nil (Previous Year ₹ 2.63 lakhs); Advertisement Charges ₹ Nil (Previous Year ₹ 0.12 lakhs); Building Under Construction ₹ Nil (Previous Year ₹ 8.70 lakhs); Furniture & Fixtures ₹ Nil (Previous Year ₹ 4.62 lakhs); Repairs & Maintenance ₹ Nil (Previous Year ₹ 0.50 lakhs).

		AS AT 31ST MARCH, 2015	AS AT 31ST MARCH, 2014
15	NON-CURRENT INVESTMENTS		
	Number Face value per unit		
	A. Trade Investments In Joint Venture Companies		
	Fully Paid Equity Shares (Unquoted)		
	2,66,500 ₹ 10 (266,500)	- Ilex Developers & Resorts Limited	533.00 533.00
	B. Trade Investments In Subsidiary Companies		
	Fully Paid Equity Shares (Unquoted)		
	1,17,64,706 ₹ 10 (11,764,706)	- Orchid Hotels Pune Private Limited (Refer Note 15.1 and 15.2)	9,327.75 9,327.75
	10,000 ₹ 10 (10,000)	- Fort Jadhavghadh Hotels Private Limited	1.00 1.00
	10,000 ₹ 10 (10,000)	- Green Dot Restaurants Private Limited	1.00 1.00
	10,000 ₹ 10 (10,000)	- Fort Mahodadhiniwas Palace Private Limited	1.00 1.00
	10,000 ₹ 10 (10,000)	- Kamats Restaurant (India) Private Limited	1.00 1.00
		9,864.75	9,864.75
	C. Non Trade Investments		
	Fully paid up equity shares (Quoted)		
	50 ₹ 10 (50)	-Royal Orchid Hotels Limited	0.03 0.03
	Fully paid up equity shares (Unquoted)		
	10,010 ₹ 10 (10,010)	-The Satara Sahakari Bank Limited	5.01 5.01
	Tax Saving Bonds (Unquoted)		
	200 ₹ 5,000 (200)	ICICI Tax Saving Bonds (Maturing On 16.11.2017)	10.00 10.00
	Investments in Government Securities		
	6 Year NSC (Maturity on 18.08.2016)	0.05	0.05
	Total Non-Current Investments	9,879.84	9,879.84
	Aggregate amount quoted Investments		
	- Cost	0.03	0.03
	- Market Value	0.02	0.02
	Aggregate amount of unquoted Investments		
	- Cost	9,879.80	9,879.80

15.1 The Company has made a strategic and long term investment of ₹ 9,327.75 lakhs in the shares of Orchid Hotels Pune Private Limited (OHPPL), a wholly owned subsidiary of the Company. Further, a loan of ₹ 19,646.40 lakhs and outstanding interest thereon for the period upto December, 2013 of ₹ 4,198.16 lakhs is recoverable from OHPPL. OHPPL has been declared a 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 ₹ 23,844.56 lakhs towards recovery of loan and interest dues upto December, 2013 during the previous year. Since the loan is considered doubtful of recovery, interest on the outstanding loan is not recognized as income for the period after December, 2013. Further, considering the present value of the assets and future projections of the OHPPL, the management believes that there is no diminution in the value of investment in OHPPL and accordingly there is no need to make any provision at present. This will be evaluated on a going forward basis for any further changes.

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

15.2 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 6.1 and 6.3). In respect of Nil (Previous year 19,60,784) shares, the Deed of pledge executed on 17th July, 2013 was cancelled due to withdrawal of Company's name from CDR scheme during the year.

15.3 Figures in brackets are in respect of previous year.

	₹ In Lakhs	
	AS AT 31ST MARCH, 2015	AS AT 31ST MARCH, 2014
16 LONG-TERM LOANS AND ADVANCES: (Unsecured, good, unless otherwise stated)		
Capital Advances (include ₹ 208.65 Lakhs (Previous Year ₹ 208.65 Lakhs) considered doubtful)	211.54	226.65
Less: Provision for doubtful advances	208.65	208.65
	2.89	18.00
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) (Maximum balance during the year ₹ 19,646.40 Lakhs (Previous Year ₹ 19,654.26 Lakhs)) (Refer note 15.1) (considered doubtful (Previous year ₹ 19,646.40 Lakhs))	19,646.40	19,646.40
Less: Provision for Doubtful Loan	19,646.40	19,646.40
	-	-
Fort Mahodhadhinivas Palace Private Limited (Subsidiary) (Maximum balance during the year ₹ 1,229.66 Lakhs (Previous Year ₹ Nil))	827.66	-
	827.66	-
Payment of Taxes (Less Provisions) (Refer Note 16.1)	544.04	382.16
MAT Credit Entitlement	38.79	-
Prepaid Expenses	8.29	1.46
Total	1,421.67	401.62

16.1 Payment of Taxes is net of provision for tax of ₹ 361.89 lakhs (Previous Year ₹ 266.98 lakhs) and further after adjusting ₹ 117.17 lakhs (Previous year ₹ 249.51 lakhs) for MAT credit availed during the previous year.

	₹ In Lakhs	
	AS AT 31ST MARCH, 2015	AS AT 31ST MARCH, 2014
17 OTHER NON-CURRENT ASSETS: (Unsecured, good, unless otherwise stated)		
Security Deposits	116.65	114.52
Long Term Deposits for Hotel and Other Properties (includes ₹ 488.62 Lakhs (Previous year ₹ 488.62 Lakhs) considered doubtful) (Refer note 17.1 and 17.2)	8,524.87	8,524.87
Less: Provision for doubtful deposit	488.62	488.62
	8,036.25	8,036.25
Total	8,152.90	8,150.77

17.1 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).

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

17.2 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 is contemplating to approach the High Court again for directions. 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.

18 CURRENT INVESTMENTS:

Investments in Mutual Funds- Unquoted

SBI PSU FUND 50,000 (Previous Year 50,000) Units of ₹ 10/- each fully paid up
(NAV - ₹ 4.70 Lakhs (Previous Year ₹ 3.88 Lakhs))

Total

	₹ In Lakhs AS AT 31ST MARCH, 2015	AS AT 31ST MARCH, 2014
	4.70	5.00
Total	4.70	5.00

19 INVENTORIES:

(At Lower of weighted average cost and net realisable value)

Raw Materials and Others

- Food and Beverages

- Stores and Operating Supplies

Total

	₹ In Lakhs AS AT 31ST MARCH, 2015	AS AT 31ST MARCH, 2014
	158.27	128.07
	290.97	284.66
Total	449.24	412.73

20 TRADE RECEIVABLES:

(Unsecured, good, unless otherwise stated)

Unsecured:

- Over Six Months [₹1,003.22 Lakhs (Previous year ₹ 358.89 Lakhs) considered doubtful]

- Other Debts [₹ Nil (Previous year ₹ Nil) (considered doubtful)]

Less: Provision for Doubtful Debts

Total

	₹ In Lakhs AS AT 31ST MARCH, 2015	AS AT 31ST MARCH, 2014
	1,010.46	784.28
	1,153.05	1,077.04
	2,163.51	1,861.32
	1,003.23	358.89
Total	1,160.28	1,502.43

20.1 Included in above:

(a) due from Orchid Hotels Pune Private Limited (wholly owned Subsidiary) (Unsecured, good)

(b) due from Ilex Developers & Resorts Limited (Joint Venture Company) (Unsecured, good)

	-	31.38
	8.02	18.36

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

		₹ In Lakhs	
		AS AT 31ST MARCH, 2015	AS AT 31ST MARCH, 2014
21 CASH AND BANK BALANCES:			
Cash and Cash Equivalents:			
- Balance with Banks		587.59	597.35
- Cash on hand		37.75	52.67
- Cheques on hand		2.05	7.36
- Foreign Exchange in hand		0.79	0.33
Sub-total		628.18	657.71
Other Bank Balances:			
- Margin Money in Fixed Deposits with Banks		31.72	126.11
- Dividend Bank Accounts		6.17	9.64
Sub-total		37.89	135.75
Total		666.07	793.46

		₹ In Lakhs	
		AS AT 31ST MARCH, 2015	AS AT 31ST MARCH, 2014
22 SHORT TERM LOANS AND ADVANCES:			
(Unsecured, good)			
- Loans and Advances to Employees		0.65	0.03
- Deposits including Balances with Government and other agencies		31.17	45.24
- Advance Payment of Taxes (Net)(Refer Note 22.1)		193.14	380.44
- Prepaid Expenses		143.23	131.16
- Others (Refer Note 22.2)		58.06	86.24
Total		426.25	643.11

22.1 Payment of taxes is net of provision for tax of ₹ 1,004.25 lakhs (Previous Year ₹ 1,004.25 Lakhs).

22.2 Include advances to suppliers and for expenses.

		₹ In Lakhs	
		AS AT 31ST MARCH, 2015	AS AT 31ST MARCH, 2014
23 OTHER CURRENT ASSETS:			
(Unsecured, good, unless otherwise stated)			
- Interest Receivable from related parties (Refer Note 23.1)(considered doubtful) (Previous year ₹ 4198.16 lakhs)		4,198.16	4,198.16
Less: Provision for Doubtful Interest receivable		4,198.16	4,198.16
		-	-
- Interest Receivable on Loans & Advances (Refer Note 23.2)		85.62	-
- Interest Receivable on Bank Deposits and Investments		62.75	53.47
Total		148.37	53.47

23.1 This amount is due from Orchid Hotels Pune Private Limited (wholly owned Subsidiary) (Refer Note 15.1)

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

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

₹ In Lakhs

FOR THE YEAR ENDED

24 REVENUE FROM OPERATIONS:

Revenue from Hotel Operations:

	31ST MARCH, 2015	31ST MARCH, 2014
Rooms	7,603.76	6,587.78
Food and Beverages	4,312.13	5,291.50
Income from Time Share Business (Refer Note 24.1)	345.95	390.93
Management and Consultancy Fees (Refer Note 35.1)	318.03	234.62
Sub total 'A'	12,579.87	12,504.83

Other Operating Revenue:

Swimming Pool and Health Club	76.63	60.78
Conference and Banqueting Services	125.89	244.49
Internet and Telephone	18.94	14.00
Laundry Services	54.71	53.29
Car Rental and Transportation	49.72	105.29
Membership- Sales Promotion Schemes	139.29	207.82
Licence Fees - Shops and Offices	144.34	133.46
Miscellaneous Services	142.14	82.86
Sub total 'B'	751.66	901.99

Sub total 'A' + 'B'

Less: Excise Duty relating to sale of Food and Beverages	0.24	1.06
Total	13,331.29	13,405.76

24.1 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.

₹ In Lakhs

FOR THE YEAR ENDED

25 OTHER INCOME:

	31ST MARCH, 2015	31ST MARCH, 2014
Interest Earned		
Interest on Long Term Investments	8.44	7.45
Interest from Banks on deposits	25.34	9.89
Interest from subsidiary on loan (Refer Note 15.1)	95.13	1,843.10
Interest from Others	7.28	174.31
	136.19	2,034.75
Gain on Foreign Exchange	9.12	3.73
Dividend on Long Term Investments	0.50	0.13
Liabilities and Provisions written back (Refer Note 25.1)	36.35	135.02
Licence Fees-Other Properties	92.73	75.75
Profit on disposal of fixed assets (Net)	251.02	-
Recovery of excess Managerial remuneration of earlier year (Refer Note 27.3)	24.72	-
Other Non Operating Income	48.71	23.92
	599.34	2,273.30

25.1 Liabilities and Provisions written back include ₹ Nil (Previous Year ₹ 24.20 lakhs) towards excess provisions for leave encashment, no longer required, written back.

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

₹ In Lakhs

26 COST OF FOOD AND BEVERAGE CONSUMED:

Opening Stock

Add: Purchases (Refer Note 26.1)

Less: Closing Stock

Total

FOR THE YEAR ENDED

31ST MARCH, 2015	31ST MARCH, 2014
128.07	107.80
1,294.15	1,391.95
1,422.22	1,499.75
158.27	128.07
1,263.95	1,371.68

26.1 Purchases are net of recoveries of ₹ 260.84 lakhs (Previous year ₹ Nil)

26.2 Particulars of imported and indigenous food and beverages consumed:

Value - Imported
- Indigenous

Percentage - Imported
- Indigenous

26.99	35.37
1,236.96	1,336.31
1,263.95	1,371.68
2.14%	2.58%
97.86%	97.42%
100.00%	100.00%

₹ In Lakhs

FOR THE YEAR ENDED

27 EMPLOYEE BENEFIT EXPENSE:

Salaries and Wages

Contribution to Provident and other Funds

Provision for Gratuity (Refer Note 27.1.2)

Provision for Leave Encashment (Refer Note 27.1.3)

Staff Welfare Expenses

Total

31ST MARCH, 2015	31ST MARCH, 2014
2,739.99	2,888.91
143.80	137.56
64.80	9.18
28.35	-
243.49	233.81
3,220.43	3,269.46

27.1 The disclosures required under Accounting Standard 15 "Employee Benefits" (AS 15) as notified by the Companies (Accounting Standards) Rules 2006, are given below:

27.1.1 Defined Contribution Plan:

Contribution to Defined Contribution Plan, recognised and charged off for the year are as under:

Contributions to Provident Fund

130.43 135.88

27.1.2 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.

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

		₹ In Lakhs	
		FOR THE YEAR ENDED	
		31ST MARCH, 2015	31ST MARCH, 2014
Gratuity (Funded)			
a)	Reconciliation of opening and closing balances of Defined Benefit obligation		
	Defined Benefit obligation at beginning of the year	210.58	242.66
	Current Service Cost	32.19	37.31
	Interest Cost	19.56	19.41
	Actuarial (gain) / loss	26.67	(33.19)
	Benefit Paid	(33.91)	(55.61)
	Defined Benefit obligation at year end	255.09	210.58
b)	Reconciliation of opening and closing balance of fair value of plan assets		
	Fair value of plan assets at beginning of the year	151.48	185.71
	Expected return on plan assets	13.18	16.16
	Employers Contribution	28.81	7.02
	Benefit Paid	(33.91)	(55.61)
	Actuarial (gain) / loss	0.44	(1.80)
	Fair value of plan assets at year end	159.99	151.48
	Actual return on plan assets	13.18	16.16
c)	Reconciliation of fair value of assets and obligations		
	Fair value of plan assets as at 31st March, 2015	159.99	151.48
	Present value of obligation as at 31st March ,2015	255.09	210.58
	Amount recognised in Balance Sheet	95.10	59.10
d)	Net Gratuity and other cost for the year		
	Current Service Cost	32.19	37.31
	Interest Cost	6.38	19.41
	Expected return on plan assets	-	(16.16)
	Actuarial (gain)/ loss	26.23	(31.39)
	Net Cost	64.80	9.17
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)	1994-96 (Ultimate)
	Discount rate (per annum)	7.98%	9.29%
	Expected rate of return on plan assets (per annum)	7.98%	8.70%
	Rate of escalation in salary (per annum)	6.50%	6.50%
	Employers Best estimate of expected contribution for next year	95.10	59.10

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.

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

₹ In Lakhs

		FOR THE YEAR ENDED	
		31ST MARCH, 2015	31ST MARCH, 2014
27.1.3 Leave encashment (Non Funded)			
Reconciliation of opening and closing balances of Defined Benefit obligation			
a) Defined Benefit obligation at beginning of the year			
Defined Benefit obligation at beginning of the year		190.84	215.04
Actuarial (gain) / loss		28.35	(24.20)
Defined Benefit obligation at year end		219.19	190.84
b) Reconciliation of fair value of assets and obligations			
Present value of obligation as at 31st March, 2015		219.19	190.84
Amount Recognised in Balance Sheet		219.19	190.84
c) Expenses recognised during the year			
Actuarial (gain)/ loss		28.35	(24.20)
Net Cost		28.35	(24.20)
27.2 Managerial Remuneration :			
Remuneration to Managing and Whole Time Directors (₹ 96.00 lakhs to Managing Director)		111.00	146.90
(Previous Year ₹ 96 Lakhs) (Refer Note 27.3)			
Contribution to Provident Fund		10.89	13.64
Perquisites		0.07	0.64
Sub-total		121.96	161.18
Directors Sitting Fees		3.70	5.45
Total		125.66	166.63

27.3 Payment of remuneration to Dr. Vithal V. Kamat, Executive Chairman and Managing Director (ECMD) for the period from 1st October, 2010 to 30th September, 2013 was approved by the shareholders of the Company in the Annual General Meeting held on 25th September, 2010. However, in view of loss for the year ended 31st March, 2014, there was an excess remuneration of ₹ 24.72 lakhs for the period from 1st April, 2013 to 30th September, 2013 paid to ECMD and in terms of the decision of the Remuneration Committee in its meeting held on 28th May, 2014, the Company had made an application to the Central Government for waiver of recovery of the above excess remuneration. In the absence of such approval the Company has recovered the above excess remuneration during the year and included in other income in Note 25. Remuneration for the subsequent period from 1st October, 2013 and onwards has already been approved by the shareholders in the Annual General Meeting held on 21st September, 2013 and by the Central Government vide approval dated 10th January, 2014. which is valid till 30th September, 2016.

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

₹ In Lakhs

		FOR THE YEAR ENDED	
		31ST MARCH, 2015	31ST MARCH, 2014
28 OTHER EXPENSES:			
OPERATING EXPENSES:			
Heat , Light and Power		1,557.60	1,523.25
Rent		131.13	121.09
Licences, Rates and Taxes (Refer Note 28.1)		484.89	450.54
Repairs to Buildings		183.43	83.35
Repairs to Plant and Machinery		211.86	184.69
Repairs to Others		123.35	88.76
Expenses on Apartments and Boards		497.94	428.30
Replacements of Crockery, Cutlery, Linen, etc.		93.52	80.39
Washing and Laundry Expenses		119.46	72.43
Water Charges		154.38	152.22
Sub-Total		3,557.56	3,185.02
GENERAL EXPENSES:			
Advertisement, Publicity and Sales Promotion		285.78	289.79
Travel Agents' Commission		193.36	133.46
Discount to Collecting Agents		105.79	102.45
Management/ Licence Fees and Royalty		128.57	133.32
Loyalty Programme Expenses		-	14.85
Band and Music Expenses		100.45	92.20
Sub-Total		813.95	766.07
ADMINISTRATIVE AND OTHER EXPENSES:			
Communication Expenses		78.10	88.02
Printing and Stationery		68.44	61.94
Legal, Professional and Consultancy charges (Refer Note 28.3)		417.87	159.89
Directors' Sitting fees		3.70	5.45
Travelling and Conveyance		166.98	165.75
Insurance		37.12	38.80
Bad Debts		16.70	77.59
Provision for Doubtful debts		644.70	80.48
Auditors' Remuneration (Refer Note 28.2)		11.08	12.50
Sales Tax/Vat /Luxury Tax etc. including assessment dues		229.79	101.35
Loss on Sale/Discard of Operating Supplies (Net)		-	15.30
Loss on Diminution of Current Investments		0.31	-
Loss on Sale/Discard of Fixed Assets (Net)		-	18.12
Prior Periods Expenses		13.59	33.22
Miscellaneous Expenses		69.88	60.07
Sub-Total		1,758.26	918.48
Total		6,129.77	4,869.57

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

- 28.1** The Municipal Corporation of Greater Mumbai (MCGM) has raised an additional demand for property tax of ₹ Nil lakhs (Previous Year ₹ 56.91 lakhs) for the year 2014-2015 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 and The Orchid Privi Wing Mumbai. In respect of Company's offices and Hotel Vits Mumbai, 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, 2015	31ST MARCH, 2014
28.2 Auditors' Remuneration			
- As Audit Fees		9.00	8.50
- Taxation Matters		0.35	2.05
- Other Services		1.35	1.25
- Out of Pocket Expenses		0.30	0.20
- Service Tax (net of Input tax credit availed)		0.08	0.50
Total		11.08	12.50

- 28.3** The Company has paid ₹ 1.25 Lakhs (Previous Year ₹ Nil) as tax audit fees, ₹ 0.25 Lakhs (Previous year ₹ Nil) for attending to taxation matter, ₹ 0.60 Lakhs (Previous year ₹ Nil) for VAT audit fees and ₹ 0.26 lakhs (Previous Year ₹ Nil) as service tax thereon to a partner of the auditors.

₹ In Lakhs

		FOR THE YEAR ENDED	
		31ST MARCH, 2015	31ST MARCH, 2014
29 FINANCE COSTS:			
Interest Expense (Refer Note 29.1 & 29.2)		6,228.97	5,680.02
Other Borrowing Costs		1,719.24	55.25
Total		7,948.21	5,735.27

- 29.1** Interest expense include ₹ 1,085.61 lakhs (Prev. Year ₹ Nil) being additional interest relating to period upto 31st March, 2014 payable on loans which was nececiated due to withdrawal of CDR Scheme during the year.

- 29.2** Reference is invited to note 39 relating to non provision of interest for the year due to disputes with certain lenders.

₹ In Lakhs

		FOR THE YEAR ENDED	
		31ST MARCH, 2015	31ST MARCH, 2014
30 EXCEPTIONAL ITEMS:			
INCOME:			
Forfeiture of Advance for Property - Bhubaneshwar		-	300.00
		-	300.00
Less: EXPENSES:			
Loss on Write-off of Fixed Assets of certain unviable units of the Company		-	17.64
Loss on Write-off of Operating Supplies of certain unviable units of the Company		-	1.23
Incomplete Hotel Projects Expenses Written Off		-	241.73
Provision for Doubtful Loans/ (OHPPL) (Refer Note 15.1)		-	19,646.40
Provision for Doubtful Interest receivable (OHPPL) (Refer Note 15.1)		-	4,198.16
		-	24,105.16
Total		-	(23,805.16)

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

31 Contingent Liabilities and Commitments.

₹ In Lakhs

I Contingent liabilities:

	AS AT 31ST MARCH, 2015	AS AT 31ST MARCH, 2014
A Claims Against Company / Disputed liabilities not acknowledged as debts.		
i) Disputed Income Tax Demand	261.91	164.53
ii) Disputed Indirect Tax Demand	Nil	111.69
iii) Open import Licence	45.51	38.18
iv) Claims against the Company not acknowledged as debt.	584.83	59.00
v) Other Matters disputed	110.83	94.48

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.	38.12	43.11

C Other Money for which the Company is contingently liable.

i) Monetary value of unredeemed points in respect of Guest Loyalty program for Sales Promotion.	4.36	0.27
---	-------------	------

D Refer Note 17.2 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)	16.97	1.20
--	--------------	------

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	1,736.82
ii) Commitment to the V Privilege Scheme members for providing Hospitality services during the year 2014-15 as per membership sale value	163.23	80.33
iii) Obligations under CDR Scheme to the lenders to repay part of the term loans and funded interest term loan out of the sale proceeds of specified assets of the Company by 31st March, 2014 (Refer Note 39)	Nil	22,500.00

iv) 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.

v) 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, 2015

32 Earnings Per Share

Basic and Diluted

Particulars

YEAR ENDED

	31ST MARCH, 2015	31ST MARCH, 2014
Net Profit / (Loss) after tax as per Statement of Profit and Loss (₹ in Lakhs)	(5,915.69)	(23,260.69)
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	2,08,30,543
Weighted average no. of Shares – Diluted	2,35,84,058	2,28,34,693
Basic E.P.S. (₹) :	(25.08)	(111.67)
Diluted E.P.S. (₹): (See Note below)	(25.08)	(111.67)

Note: Since the Diluted EPS in the previous year was anti-dilutive, the effect of anti-dilutive potential equity share was ignored in calculating diluted EPS in terms of Accounting Standard - 20 - Earnings per share (AS - 20)

33 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).

34 Related Party Disclosures:

Related Parties where control exists:

(a) Subsidiary Companies:

Orchid Hotels Pune Private Limited (Formerly B W Highway Star Private Limited)
Fort Jadhav Gadh Hotels Private Limited
Fort Mahodadhinivas Palace Private Limited
Kamats Restaurant (India) Private Limited
Green Dot Restaurants Private Limited

(b) Fellow Subsidiary Company:

Fort Jadhav Gadh Hotels Private Limited - (Ceased to be a fellow subsidiary w.e.f 1st March, 2014).

(c) Jointly Controlled Entity:

Ilex Developers and Resorts Limited (Joint Venture)

(d) List of Associate Companies where control exists and with whom transactions have taken place during the year/previous year:

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

(e) Key Management Personnel and their relatives:

Dr. Vithal V. Kamat - Executive Chairman & Managing Director
Mr. Ramesh N. Shanbhag - Whole Time Director (Resigned with effect from 30th August, 2013)

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

- Mr. Vikram V. Kamat - Executive Director (Resigned during the year w.e.f 20th December, 2014 as Executive Director but continues as a Director and also relative.)
- Mrs. Vidya V. Kamat - Relative
- Mr. Vishal V. Kamat - Chief Executive Officer of Fort Jadhavgad, Pune and a relative
- (f) Other Related parties where key managerial personnel are able to exercise significant influence and with whom transactions have been taken place during the year :
- Vithal . V. Kamat HUF
- (g) 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, 2015:

					₹ 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	109.65 **(91.53)	16.99 (36.91)	Nil (Nil)	Nil (3.24)
2	Consultancy Fees / Fees paid towards hotel property under Business Contract Agreement	31.11 (21.89)	74.65 (89.35)	Nil (Nil)	Nil (Nil)
3	Interest earned on Loans & Advances given (Refer Note 15.1)	95.13 (1,843.10)	Nil (Nil)	Nil (Nil)	Nil (Nil)
4	Purchase of goods & services	Nil (Nil)	Nil (Nil)	15.45 (17.59)	Nil (Nil)
5	Remuneration to Key Management Personnel	Nil (Nil)	Nil (Nil)	142.01 (173.56)	Nil (Nil)
6	Loan given	1,229.66 (10.49)	Nil (Nil)	Nil (Nil)	Nil (Nil)
7	Share Application money Refunded	Nil (Nil)	185.00 (Nil)	Nil (Nil)	Nil (Nil)
8	Loans and Advances Recovered during the year	464.53 (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
9	Deposits Refunded during the year	Nil (Nil)	- (620.00)	Nil (Nil)	25.00 (Nil)
10	Interest Recovered during the Year	9.51 (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
11	Share Application Money received	Nil (Nil)	Nil (485.00)	Nil (Nil)	Nil (Nil)
12	Equity Shares allotted during the year	Nil (Nil)	Nil (449.07)	Nil (Nil)	Nil (Nil)
13	Corporate Guarantee / Personal Guarantee provided CDR obligation (to the extent of loan outstanding)	Nil (63,338.00)	Nil (38,583.00)	Nil (38,583.00)	Nil (Nil)
14	Balance outstanding at the year end:				
(a)	Investments in Shares / Share application money	9,331.75 (9,331.75)	533.00 (533.00)	Nil (Nil)	Nil (Nil)

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

₹ In Lakhs

Sr. No.	Nature of transactions	Subsidiary Company	Joint Venture & specified companies	Key Management Personnel & relatives *	Other related parties
(b)	Share application money pending allotment	Nil (Nil)	Nil (185.00)	Nil (Nil)	Nil (Nil)
(c)	Loan to Subsidiary (Refer Note 16)	20,474.06 (19,646.40)	Nil (Nil)	Nil (Nil)	Nil (Nil)
(d)	Accounts receivable (Refer Note 23)	4,283.78 (4,229.54)	8.02 (18.36)	Nil (Nil)	Nil (Nil)
(e)	Deposit paid includes Under Business Contract Agreements	Nil (Nil)	8,000.00 (8,000.00)	Nil (Nil)	Nil (25.00)
(f)	Long Term Trade Deposit received towards Business Contract Agreement.	Nil (Nil)	80.00 (80.00)	Nil (Nil)	Nil (Nil)
(g)	Amounts Payable	40.04 (8.60)	16.03 (30.44)	Nil (Nil)	0.01 (Nil)
(h)	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 (Nil)	4,213.18 (4,213.18)	Nil (Nil)	Nil (Nil)
(i)	Corporate Guarantee issued by the Company in favour of banks on behalf of Subsidiary / Joint Venture Companies	20,434.00 (20,434.00)	1,000.00 (1,000.00)	Nil (Nil)	Nil (Nil)
(j)	Corporate Guarantee / Personal Guarantee provided to the lenders (to the extent of loan outstanding at the year end)	Nil (Nil)	42,693.19 (40,770.26)	61,110.32 (54,634.30)	Nil (Nil)
(k)	Corporate Guarantee / Personal Guarantee provided CDR obligation (to the extent of loan outstanding)	63,338.00 (63,338.00)	38,583.00 (38,583.00)	38,583.00 (38,583.00)	Nil (Nil)
(l)	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 (Nil)	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), and Mr. Vishal V Kamat (Son of Dr. Vithal V. Kamat and brother of Mr. Vikram V. Kamat).

** Figures in brackets are for previous year.

(m) **Statement of Material Transactions (including applicable disclosures under Clause 32 of the Listing Agreement):**

₹ In Lakhs

Name of Related Party	YEAR ENDED	
	31ST MARCH, 2015	31ST MARCH, 2014
Subsidiaries		
Orchid Hotels Pune Private Limited		
- Sale of Goods and Services	109.65	91.53
- Interest earned on Loans & Advances (Refer Note 15.1)	Nil	1,843.10
- Loan given	Nil	10.49
-Loans Recovered during the year	62.53	Nil
- Investment balance at year end	9,327.75	9,327.75

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

₹ In Lakhs

Name of Related Party	YEAR ENDED	
	31ST MARCH, 2015	31ST MARCH, 2014
- 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 (₹ 4,198.16 lakhs considered doubtful (Previous year ₹ 4,198.16 lakhs))	4,198.16	4,198.16
- Management Fees receivable	Nil	31.38
- Amounts Payable	31.14	Nil
- 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 obligatons.	24,755.00	24,755.00
Jointly Controlled Entity		
ILEX Developers & Resorts Limited		
- Sale of Goods and Services	13.54	31.29
- Security Deposit refunded during the year	Nil	620.00
- Investment balance at year end	533.00	533.00
- Security Deposit taken, balance at year end	80.00	80.00
- Amounts recoverable at year end	8.02	18.36
- 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 obligatons with other Associate Companies	38,583.00	38,583.00
Specified Companies:		
Plaza Hotels Private Limited		
- Fees paid towards hotel property under Business Contract Agreement	74.65	89.35
- Deposit paid Under Business Contract Agreements for hotels	8,000.00	8,000.00
- Amounts Payable	16.03	30.44
- Corporate Guarantee provided by the above for securing loans taken by the Company	36,454.19	34,531.26
- 3,19,618 Equity shares of ₹ 10/- each allotted during the year as per the scheme of merger at a premium of ₹ 125/- per share.	Nil	431.48
- 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 obligatons with other Associate Companies	38,583.00	38,583.00
Kamats Holiday Resorts (Silvassa) Limited		
- Corporate Guarantee provided by the above for securing loans taken by the Company	6,239.00	6,239.00
- Joint Corporate Guarantee issued to Banks/Lenders on behalf a holding company as per CDR obligatons with other Associate Companies	38,583.00	38,583.00
Kamats Amusements Private Limited		
- 2,05,128 Equity shares of ₹ 10/- each allotted during the year as per the scheme of merger at a premium of ₹ 125/- per share.	Nil	276.92

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

₹ In Lakhs

Name of Related Party	YEAR ENDED	
	31ST MARCH, 2015	31ST MARCH, 2014
Talent Hotels Private Limited		
- Undertaking given towards repayment of Loan	2,375.26	2,375.26
Nagpur Ecohotel Private Limited.		
- 10,00,000 Equity shares of ₹ 10/- Equity shares allotted during the year as per CDR at a premium of ₹ 125/- per share	Nil	1,350.00
Vits Hotels (Bhubaneshwar) Private Limited.		
- Share Application money received pending allotment	Nil	185.00
- Share Application money received during the year	Nil	485.00
- Share Application money Refunded during the year	185.00	Nil
- 6,29,629.63 Equity shares of ₹ 10/- Equity shares allotted during the year as per CDR at a premium of ₹ 125/- per share.	Nil	850.00
Fort Mahodadhinivas Palace Private Limited.		
- Fees paid towards hotel property under Business Contract Agreement	31.11	21.89
- Interest earned on Loans and advances given	95.13	Nil
- Loans and Advances given during the year	1,229.66	Nil
- Interest Recovered during the year.	9.51	Nil
- Loans and Advances recovered during the year	402.00	Nil
- Loan given balance at year end (Maximum Balance ₹ 1,229.66 lakhs)	827.66	Nil
- Amount recoverable towards Interest on Loan.	85.62	Nil
- Amounts payable against Royalty	8.90	8.60
- Joint Corporate Guarantee issued to Banks/Lenders on behalf a holding company as per CDR obligatons with other Associate Companies	38,583.00	38,583.00
Fort Jadhav Gadh Hotels Private Limited		
- Joint Corporate Guarantee issued to Banks/Lenders on behalf a holding company as per CDR obligatons with other Associate Companies	38,583.00	38,583.00
Kamats Restaurant (India) Private Limited		
- Joint Corporate Guarantee issued to Banks/Lenders on behalf a holding company as per CDR obligatons with other Associate Companies	38,583.00	38,583.00
Key Management Personnel and relatives:		
Dr. Vithal V. Kamat		
- Remuneration (Refer Note. 27.3)	105.57	105.93
- Royalty paid for brand	15.45	17.59
- 21,86,640 Equity shares of ₹ 10/- each allotted during the year as per the scheme of merger at a premium of ₹ 125/- per share.	Nil	2,951.96
- Personal Guarantee provided by him for securing loans taken by the Company	48,782.25	42,371.53
- Joint Personal Guarantee issued to Banks/Lenders on behalf Company as per CDR obligatons with executive Director	38,583.00	38,583.00

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

₹ In Lakhs

Name of Related Party	YEAR ENDED	
	31ST MARCH, 2015	31ST MARCH, 2014
Vishal V. Kamat		
- Remuneration	15.05	12.38
- Personal Guarantee provided by him for securing loan taken by the Company	1,413.31	1,413.31
Vikram V. Kamat		
- Remuneration	21.38	32.76
- Personal Guarantee provided by him for securing loan taken by the Company	10,914.75	10,849.46
- Joint Personal Guarantee issued to Banks/Lenders on behalf Company as per CDR obligations	38,583.00	38,583.00
Ramesh N. Shanbhag		
- Remuneration (Resigned during the year with effect from 30th August, 2013)	Nil	22.48
Other Related Parties:		
Vithal V. Kamat-HUF		
- Gross Sale of services including Management & Consultancy Fees	Nil	3.24
- 10,974 Equity shares of ₹ 10/- each allotted during the year as per the scheme of merger at a premium of ₹ 125/- per share.	Nil	14.81
- Deposit refunded during the year	25.00	Nil
- Deposit paid includes Under Business Contract Agreement	Nil	25.00

35 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, 2015	31ST MARCH, 2014
Payable within one year -	71.92	58.21
Payable later than one year but not later than five years -	195.10	216.15
Payable after five years -	342.67	378.89

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, 2015	31ST MARCH, 2014
Receivable within one year -	204.52	113.05
Receivable later than one year but not later than five years -	194.11	40.22

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

35.1 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 during the year. The Company is entitled to fixed fee of a seven percent of the annual turnover of the banquet halls and restaurant. The Company has received the fee of ₹ 96.79 lakhs (Previous Year ₹ Nil) for the year which is included in Note 24.

36 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 2015			
			Assets	Liabilities	Income	Expenditure
Ilex Developers & Resorts Limited	India	32.92	1,109.29	724.73	315.56	304.65
(Refer Note 36.1)		(32.92)	(1,164.73)	(792.31)	(212.15)	(262.75)

36.1 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.

36.2 Figures in the bracket are for previous year.

37 Additional Information

a Value of Imports

₹ In Lakhs		
	YEAR ENDED	
	31ST MARCH, 2015	31ST MARCH, 2014
Provisions , Wines etc.	26.99	35.37
Spare Parts	Nil	Nil
Capital Goods	25.46	Nil

b Expenditure in Foreign Currency (on accrual basis)

Commission to Travel Agents, Membership and Subscription, Internet / Website Charges, Bank Charges etc.	98.14	32.41
---	-------	-------

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:

YEAR ENDED		
	31ST MARCH, 2015	31ST MARCH, 2014
(a) Number of non-resident shareholders	304	329
(b) Number of Equity Shares held	80,24,632	80,44,716
(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)	1,491.72	1,269.53
--	----------	----------

- 38 Pursuant to notification of Schedule II to the Companies Act, 2013 with effect from 1st April, 2014, depreciation for the year ended 31st March, 2015 has been provided on the basis of useful lives as prescribed therein except in respect of items of plant and machinery costing ₹ 10,000/- or less which are depreciated fully in the year of acquisition. Accordingly, depreciation for the year ended 31st March, 2015 is higher by ₹ 150.78 lakhs due to change in the estimate of useful life of certain assets and an amount of ₹ 560.02 lakhs (Net of deferred tax) has been recognized in the opening balance of retained earnings in respect of assets in respect of which useful life is Nil.
- 39 The Company has borrowed funds from various banks, financial institutions and certain NBFCs in the past. Due to financial crisis faced by economic slow down and other factors, it was unable to repay its loan obligations in the year 2012-2013 and accordingly it had applied for debts restructuring under Corporate Debt Restructuring (CDR) mechanism. A majority of lenders participate in the CDR. A CDR package was worked out under which the debts of the participating lenders were restructured certain rate concessions were given and unpaid interest was converted into funded interest loan. Under the restructure scheme, the Company was obliged to pay a part of the borrower by 31.03.2014 to certain lenders out of sale proceeds of one of its hotel units. Despite best effort, the Company could not dispose off the said unit by 31.03.2014. Accordingly, Asset sale Committee formed by the lenders as per the direction of the CDR EG Committee approved the withdrawal of Company's name from the CDR mechanism on account of failure in the meeting held on 23.07.2014. Due to failure of the CDR mechanism on account and due to financial stringencies, the Company could not repay the loan and interest dues to its lenders, including to those lenders who did not participating in CDR package during the year Consequently, 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 dues during the year. The Company has disputed the same. One of the lenders filed suit for recovery of the entire dues after the close of the financial year, which is pending before the Bombay High Court and the Company has disputed the claim Reference is invited to Notes 6.5 and 31 regarding disputed interest and charges aggregating to ₹ 530.03 lakhs, which have not been provided in the accounts.
- 40 Company's accumulated losses are in excess of its paid up Capital and reserves and surplus. As explained in Note 39, some of the lenders have recalled their loans. However, considering the future business prospects, the fact that four major lenders have assigned their loans and 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.
- 41 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

For and on behalf of Board of Directors

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

Kurian Chandy
Chief Financial Officer

Vikram V. Kamat
Director
(DIN : 00556284)

Mahesh Kandoi
Company Secretary

Mumbai: 30th May, 2015

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) Fort Mahodadhini 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, 2015, 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 specified 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 but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. 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, 2015, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Annual Report 2014-2015



Matter of Emphasis

Attention is invited to:

1. Note 5.5 to the financial statements with regard to non-provision of interest liability of ₹ 530.03 lakhs, in respect of two lenders as the same is disputed by the Holding Company.
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 during the 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 ₹ 18,459.38 lakhs at 31st March, 2015, total revenues (after eliminating intra-group transactions) of ₹ 3,159.94 lakhs and net cash outflows amounting to ₹ 621.24 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) and (11) 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

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding Company, its subsidiary companies and jointly controlled entity, we give in the Annexure 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 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.
 - (v) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 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, 2015 from being appointed as a director in terms of Sub-Section (2) of Section 164 of the Act.
 - (vi) 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:
 - (i) 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. 30 to the consolidated financial statements.
 - (ii) The Group and its jointly controlled entity did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - (iii) 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.

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

J.G.VERMA
Partner
Membership No. 5005

Mumbai: 30th May, 2015

**ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT
ON THE CONSOLIDATED FINANCIAL STATEMENTS**

The Annexure referred to in our report to the members of **Kamat Hotels (India) Limited** for the year ended 31st March, 2015. We report that: Our reporting on the Companies (Auditor's Report) Order, 2015 ("the Order") includes five subsidiary Companies and one jointly controlled entity, to which the Order is applicable, which have been audited by other auditors and our report in respect of these entities is based solely on the reports of the other auditors, to the extent considered applicable for reporting under the Order in the case of the consolidated financial statements.

- (i) In respect of the fixed assets of the Group and its jointly controlled entity:
 - (a) The respective entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management of the respective entities in accordance with a phased periodical programme of verification which, in our opinion and the opinion of the other auditors, is reasonable. According to the information and explanation given to us and the other auditors, no material discrepancies were noticed on such verification.
- (ii) In respect of the inventories of the Group and its jointly controlled entity:
 - (a) As explained to us and the other auditors, the inventories were physically verified during the year by the Management of the respective entities at reasonable intervals.
 - (b) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the procedures of physical verification of inventories followed by the Management of the respective entities were reasonable and adequate in relation to the size of the respective entities and the nature of their business.
 - (c) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the respective entities have maintained proper records of their inventories and no material discrepancies were noticed on physical verification.
- (iii) The Holding Company, subsidiary companies and its jointly controlled entity have not granted loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 by the respective companies.
- (iv) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, there is an adequate internal control system in the Holding Company, subsidiary companies and its jointly controlled entity, commensurate with the size of the respective entities and the nature of their business for the purchase of inventory and fixed assets and for the sale of goods and services and during the course of our audit and the other auditors audit no continuing failure to correct major weaknesses in such internal control system has been observed.
- (v) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the Group and its jointly controlled entity have not accepted public deposits, and hence the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted are not applicable. According to the information and explanations given to us and the other auditors, no Order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal in respect of any of the entities.
- (vi) The maintenance of cost records has not been prescribed for any of the products of the Group and its jointly controlled entity under sub-section (1) of Section 148 of the Companies Act, 2013.
- (vii) According to the records and the information and explanations given to us, in respect of statutory dues of the Group and its jointly controlled entity:
 - (a) The respective entities have generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to the respective entities 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, wealth 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 are as under:

Name of the Stature / Nature of the dues and period	Amount involved (Rupees in lakhs)	Forum where dispute is pending
Income-tax on regular assessment under Income Tax Act, 1961 - Assessment year 2006-07	10.73 ^(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 Holding 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 Holding Company in the previous year)	6.56	Commissioner of Income-tax (Appeals)

Annual Report 2014-2015



Name of the Stature / Nature of the dues and period	Amount involved (Rupees in lakhs)	Forum where dispute is pending
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)
VAT on regular assessment under Maharashtra Value Added Tax Act, 2002 – Year 2005-06	15.40 ^(e)	Joint Commissioner of Sales-tax (Appeals)
VAT on regular assessment under Maharashtra Value Added Tax Act, 2002 – Year 2006-07	18.64 ^(e)	Joint Commissioner of Sales-tax (Appeals)
VAT on regular assessment under Maharashtra Value Added Tax Act, 2002 – Year 2007-08	15.42 ^(e)	Joint Commissioner of Sales-tax (Appeals)
VAT on regular assessment under Maharashtra Value Added Tax Act, 2002 – Year 2008-09	15.95 ^(e)	Joint Commissioner of Sales-tax (Appeals)
VAT on regular assessment under Maharashtra Value Added Tax Act, 2002 – Year 2009-10	61.71 ^(e)	Joint Commissioner of Sales-tax (Appeals)
VAT on regular assessment under Maharashtra Value Added Tax Act, 2002 – Year 2010-11	8.91 ^(e)	Joint Commissioner of Sales-tax (Appeals)
Luxury Tax on regular assessment under Maharashtra Tax on Luxury Act, 1987 – Year 2011-12	1.11	Joint Commissioner of Sales-tax (Appeals)

- (a) A sum of ₹ 2.28 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 ₹ 16.00 lakhs has been deposited by the company against this demand, pending disposal of appeal.
- (c) The respective entities have been regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made there under within time wherever applicable.
- (viii) The Group and its jointly controlled entity did not have consolidated accumulated losses at the end of the financial year. However, the Group and its jointly controlled entity have incurred cash losses, on a consolidated basis, during the financial year covered by our audit, however no such cash losses have been incurred in the immediately preceding financial year.
- (ix) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the Group and its jointly controlled entity have defaulted in the repayment of dues to financial institutions and banks as under:
- (a) The Holding Company has defaulted in (i) payment of interest of ₹ 4,748.06 lakhs to a financial institution and banks consisting of delays ranging from 1 day to 397 days, and (ii) repayment of principal of ₹ 31,993.87 lakhs to a financial institution and banks consisting of delays ranging from 1 day to 366 days.
- (b) One of the subsidiaries has defaulted in (i) payment of interest of ₹ 7,167.77 lakhs to a bank consisting of delays ranging from 1 day to 701 days, and (ii) repayment of principal of ₹ 17,550 lakhs to a bank consisting of delays ranging from 416 days to 639 days.
- (c) The jointly controlled entity has defaulted in (i) payment of interest of ₹ 237.43 lakhs to a bank consisting of delays ranging from 1 day to 60 days and (ii) repayment of principal of ₹ 145 lakhs to a bank consisting of delays ranging from 1 day to 232 days.
- The Group and its jointly controlled entity have not borrowed any money by way of debentures.
- (x) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the terms and conditions of the guarantees given by the Group (no such guarantees given by the jointly controlled entity) for loans taken by others outside of the Group, from banks and financial institutions are not, prima facie, prejudicial to the interests of the respective companies.
- (xi) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the term loans have been applied by the Group and its jointly controlled entity during the year for the purposes for which they were obtained.
- (xii) To the best of our knowledge and according to the information and explanations given to us and the other auditors, no fraud by the Holding Company, its subsidiary companies and jointly controlled entity and no material fraud on the Holding Company, its subsidiary companies and jointly controlled entity has been noticed or reported during the year.

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

J.G.VERMA

Partner

Membership No. 5005

Mumbai: 30th May, 2015

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015

		₹ in Lakhs		
PARTICULARS	NOTE	AS AT 31ST MARCH, 2015	AS AT 31ST MARCH, 2015	AS AT 31ST MARCH, 2014
<u>EQUITY AND LIABILITIES:</u>				
Shareholders' Funds:				
(a) Share Capital	2	2,417.26		2,417.26
(b) Reserves and Surplus	3	3,178.36		10,272.79
			5,595.62	12,690.05
Share Application Money	4		-	185.00
Non-Current Liabilities:				
(a) Long-Term Borrowings	5	21,286.54		24,363.17
(b) Other Long-Term Liabilities	6	2,870.51		2,662.07
(c) Long-Term Provisions	7	189.30		162.61
			24,346.35	27,187.85
Current Liabilities:				
(a) Short-Term Borrowings	8	704.41		776.46
(b) Trade Payables	9	2,117.27		3,055.99
(c) Other Current Liabilities	10	52,551.45		44,891.52
(d) Short-Term Provisions	11	152.26		121.57
			55,525.39	48,845.54
TOTAL			85,467.36	88,908.44
<u>ASSETS:</u>				
Non-Current Assets:				
(a) Fixed Assets:				
(i) Tangible Assets	12	67,582.34		71,146.87
(ii) Intangible Assets	12	36.33		52.63
(iii) Capital Work-In-Progress	12	18.84		177.63
(iv) Goodwill on Consolidation		3,218.50		3,218.50
		70,856.01		74,595.63
(b) Non-Current Investments	13	15.09		15.09
(c) Deferred Tax Assets (Net)	14	1,625.27		808.54
(d) Long-Term Loans and Advances	15	694.34		490.46
(e) Other Non-Current Assets	16	8,284.14		8,288.96
			81,474.85	84,198.68
Current Assets:				
(a) Current Investments	17	4.70		5.00
(b) Inventories	18	527.89		512.09
(c) Trade Receivables	19	1,256.26		1,604.73
(d) Cash and Bank Balances	20	842.81		908.99
(e) Short-Term Loans and Advances	21	1,294.75		1,622.62
(f) Other Current Assets	22	66.10		56.33
			3,992.51	4,709.76
TOTAL			85,467.36	88,908.44
SIGNIFICANT ACCOUNTING POLICIES		1		
THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS		2 to 41		

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: 30th May, 2015

For and on behalf of Board of Directors

Dr. Vithal V. Kamat

Executive Chairman & Managing Director

(DIN : 00195341)

Kurian Chandoy

Chief Financial Officer

Vikram V. Kamat

Director

(DIN : 00556284)

Mahesh Kandoi

Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2015

₹ in Lakhs

	NOTE	YEAR ENDED	
		31ST MARCH, 2015	31ST MARCH, 2014
INCOME:			
Revenue from Operations	23	16,364.40	16,027.57
Less: Excise Duty relating to sale of Food and Beverages		0.24	1.06
		16,364.16	16,026.51
Other Income	24	528.88	453.46
Total Revenue		16,893.04	16,479.97
EXPENSES:			
Cost of Food and Beverages Consumed	25	1,733.28	1,873.39
Employee Benefit Expenses	26	3,850.37	3,882.75
Other Expenses	27	7,523.02	6,175.93
Total Expenses		13,106.67	11,932.07
Profit/ (Loss) before Finance Costs, Depreciation, Exceptional Items and Tax:		3,786.37	4,547.90
Less: Finance Costs	28	8,054.84	7,248.43
Depreciation and Amortisation Expenses (Refer Note 36)	12	3,084.31	2,496.20
Profit / (Loss) Before Exceptional Items and Tax		(7,352.78)	(5,196.73)
Exceptional Items	29	-	39.40
Profit / (Loss) Before Tax		(7,352.78)	(5,157.33)
Tax Expense:			
Current Tax		118.13	257.85
Prior Period Adjustments - Income Tax		26.09	28.92
Deferred Tax	14	(816.72)	(1,215.77)
		(672.50)	(929.00)
Less: Excess MAT Credit Entitlement - Earlier Years		155.96	-
		(828.46)	-
Profit / (Loss) for the year		(6,524.32)	(4,228.33)
Earning Per Equity Share of face value of ₹ 10/- each			
Basic (In ₹)	31	(27.66)	(20.30)
Diluted (In ₹)	31	(27.66)	(20.30)
SIGNIFICANT ACCOUNTING POLICIES	1		
THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS	2 to 41		

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: 30th May, 2015

For and on behalf of Board of Directors

Dr. Vithal V. Kamat

Executive Chairman & Managing Director
(DIN : 00195341)

Kurian Chandy

Chief Financial Officer

Vikram V. Kamat

Director
(DIN : 00556284)

Mahesh Kandoi

Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

₹ in Lakhs

PARTICULARS	YEAR ENDED	
	31ST MARCH, 2015	31ST MARCH, 2014
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit / (Loss) for the year before tax and adjustments	(7,352.78)	(5,157.33)
Adjustments for:		
Depreciation	3,084.31	2,496.20
Amortisation of Expense	0.07	0.34
Amortisation of Advance Time Share Membership	(73.86)	(73.86)
(Profit) / Loss on Sale / Discard of Fixed Assets / Operating Supplies	(251.02)	52.29
Loss on Diminution of Investments	0.31	-
Liabilities and Provisions written Back	(48.43)	(148.35)
Provision for Employee Benefits	95.15	17.26
Provision for Wealth Tax	0.83	0.92
Provision for Doubtful Debts and Deposits	663.65	159.97
Incomplete Project Expenses written off	-	241.73
Forfeiture of Advance for Property	-	(300.00)
Dividend income	(0.50)	(0.13)
Interest income	(52.07)	(202.99)
Interest Expenses	8,054.84	7,248.39
Earlier Year Expenses	-	7.62
Operating profit before working capital changes	4,120.50	4,342.06
Trade Receivables and Loans and Advances	(900.52)	(609.43)
Inventories	(15.80)	(9.90)
Trade Payables and Provisions	(324.47)	(733.29)
Cash generated from operations	2,879.71	2,989.44
Direct taxes (Net)	(18.33)	450.09
Net cash generated from operating activities	2,861.38	3,439.53
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(110.24)	(409.41)
Sale of Fixed Assets	446.46	48.33
Movement in Loans and Advances	(21.31)	111.31
Forfeiture of Advance for Property	-	300.00
Margin Money with Banks	95.32	146.96
Interest Received	51.81	206.91
Dividend Received	0.50	0.13
Net cash generated from / (used in) investing activities	462.54	404.23

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

₹ in Lakhs

PARTICULARS	YEAR ENDED	
	31ST MARCH, 2015	31ST MARCH, 2014
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from long term borrowings	16.78	681.12
Repayment of long term borrowings	(540.69)	(804.03)
Proceeds from short term borrowings	18.54	12.71
Repayment of short term borrowings	(62.86)	(396.52)
Share Application Money Received / Proceeds from Issue of Fresh Equity	-	485.00
Share Application Money Refunded	(185.00)	-
Interest paid	(2,538.06)	(3,757.59)
Dividend paid	(3.48)	(2.19)
Net cash generated from / (used in) financing activities	(3,294.77)	(3,781.50)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	29.14	62.28
CASH AND CASH EQUIVALENTS AS AT 01.04.2014 (Opening Balance)	705.13	642.85
CASH AND CASH EQUIVALENTS AS AT 31.03.2015 (Closing Balance)	734.27	705.13
Components of Cash and Cash Equivalents		
- Balance with Banks	683.51	636.05
- Cash on hand	47.92	61.39
- Cheques on hand	2.05	7.36
- Foreign Exchange in hand	0.79	0.33
Total Cash and Cash Equivalents (Note No. 20)	734.27	705.13
SIGNIFICANT ACCOUNTING POLICIES	Note 1	
THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS	Note 2 to 41	

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: 30th May, 2015

For and on behalf of Board of Directors

Dr. Vithal V. Kamat

Executive Chairman & Managing Director

(DIN : 00195341)

Vikram V. Kamat

Director

(DIN : 00556284)

Kurian Chandy

Chief Financial Officer

Mahesh Kandoi

Company Secretary

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

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, its Subsidiaries and Jointly Controlled Entity 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 Company, i.e. 31st March, 2015. 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) Jadhavgadh Hotels Private Limited
Country of Incorporation :	India
Holding % :	100% Subsidiary of Fort Jadhavgadh Hotels Private Limited (Ceased to be a fellow subsidiary w.e.f 1st March, 2014).
Name of the Company :	(5) Fort Mahodadhinivas Palace Private Limited
Country of Incorporation :	India
Holding % :	100%
Name of the Company :	(6) Green Dot Restaurants Private Limited
Country of Incorporation :	India
Holding % :	100%

ii) Jointly Controlled Entity:

Name of the Company :	(7) Ilex Developers & Resorts Limited
Country of Incorporation :	India
Holding % :	32.92%

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

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, 2015. The Holding Company, its Subsidiaries and Jointly Controlled Entity 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 as against the earlier practice of providing depreciation at the rates prescribed in Schedule XIV to the Companies Act, 1956. 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 ". Refer Note 36 for change in the basis of providing depreciation.
- 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 Group'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.

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 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 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 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 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, 2015

₹ in Lakhs

2 SHARE CAPITAL :

AUTHORISED:

3,42,50,000 (Previous Year 3,42,50,000) Equity Shares of ₹ 10/- each.

AS AT 31ST MARCH, 2015	AS AT 31ST MARCH, 2014
3,425.00	3,425.00
3,425.00	3,425.00
2,358.41	1,909.34
-	286.11
-	162.96
2,358.41	2,358.41
58.85	58.85
2,417.26	2,417.26

ISSUED, SUBSCRIBED AND PAID UP:

2,35,84,058 (Previous Year 1,90,93,394) Equity Shares of ₹ 10/- each, fully paid up

Add: Nil (Previous Year 28,61,035) Equity Shares of ₹ 10/- each (Allotted on amalgamation) (Refer Note 2.2)

Add: Nil (Previous Year 16,29,629) Equity Shares of ₹ 10/- each (Allotted pursuant to CDR scheme) (Refer Note 2.3)

Add: Forfeited Shares Account (Amount originally paid up)

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 During the year the Holding Company allotted Nil (Previous Year 28,61,035) Equity Shares of ₹10/- each as fully paid up to the shareholders of erstwhile Kamat Holiday Resorts Private Limited and Kamats Restaurants Private Limited merged with the Holding Company and shareholders of Kamats Holiday Resorts (Silvassa) Limited as a consideration for merger of its Lotus Goa Resorts during the year 2011-12.

2.3 During the year the Holding Company further allotted Nil (Previous Year 16,29,629) Equity Shares of ₹ 10/- each as fully paid up at a premium of ₹ 125/- per Equity Share to two promoters owned Companies towards meeting part of promoters' obligation under CDR Scheme then in force. (Refer Note 4.2)

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

Name of Shareholder	AS AT 31ST MARCH, 2015		AS AT 31ST MARCH, 2014	
	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	76,28,149	32.34	76,28,149	32.34

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

Particulars

	AS AT 31ST MARCH, 2015 No of Shares	AS AT 31ST MARCH, 2014 No of Shares
Equity Shares at the beginning of the year	2,35,84,058	1,90,93,394
Add: Equity Shares issued to shareholders of merged companies on amalgamation	-	28,61,035
Add: Equity Shares issued to promoters owned companies (under CDR Scheme)	-	16,29,629
Equity Shares at the close of the year	2,35,84,058	2,35,84,058

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

₹ in Lakhs

	AS AT 31ST MARCH, 2015	AS AT 31ST MARCH, 2014
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	12,949.70
Add: On issue of shares under CDR Scheme (Refer Note 2.3 and 4.2)	-	2,037.04
	14,986.74	14,986.74
General Reserve:		
As per last accounts	3,767.09	3,767.09
Less: Transferred to Surplus / Deficit in the Statement of Profit and Loss	3,767.09	-
	-	3,767.09
Amalgamation Reserve		
As per last accounts [Refer Note 4.1 (b)]	280.06	280.06
	15,547.17	19,314.26
Surplus / (Deficit) in the Statement of Profit and Loss		
As per last accounts	(9,041.47)	(4,813.14)
Add / (Less): Additional Depreciation (Net of tax ₹ Nil) pursuant to the enactment of Schedule II to the Companies Act, 2013 (Refer Note 14.1)	(570.11)	-
Add: Transferred from General Reserve	3,767.09	-
	(5,844.49)	(4,813.14)
Add/ (Less): Profit/ (Loss) for the year	(6,524.32)	(4,228.33)
	(12,368.81)	(9,041.47)
Total	3,178.36	10,272.79
4 SHARE APPLICATION MONEY (Refer Note No. 4.2)	-	185.00
	-	185.00

- 4.1** (a) As directed by the Bombay High Court, in relation to "Composite Scheme of Arrangement and Amalgamation" vide order dated 13th January, 2012, the Holding Company has made an application to the Superintendent of Stamps for the purpose of adjudication of stamp duty payable on the Scheme of Arrangement and Amalgamation. Provision for stamp duty payable will be made in the books of accounts on completion of adjudication by the stamp authorities, the amount of which is presently unascertainable.
- (b) In terms of the Order dated 13th January, 2012 referred to in (a) above, the above reserve is not available for distribution as dividend by the Holding Company.
- 4.2** The Holding Company has received share application money of ₹ 1,900.00 lakhs from two promoter-owned companies in the earlier year and further ₹ 485.00 lakhs in the previous year for meeting part of promoters' obligation under CDR scheme which was in force at the relevant time. The Holding Company allotted 16,29,629 Equity Shares of ₹ 10/- each fully paid up at a premium of ₹ 125/- per share to these companies on 8th February, 2014 and accordingly ₹ 2,200.00 lakhs has been transferred to Share Capital and Securities Premium Account during the previous year and balance share application money of ₹ 185.00 lakhs has been refunded on withdrawal of the CDR mechanism during the year.

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

₹ in Lakhs

5 LONG-TERM BORROWINGS

SECURED:

	31-Mar-15		31-Mar-14	
	Non Current	Current	Non Current	Current
A Term Loans from Banks (Refer Note 5.1 and 5.4)	15,773.27	32,399.46	11,940.73	34,199.17
B Term Loans Under Structured Mezzanine Credit Facility from banks (Refer Note 5.2)	-	6,750.68	5,865.79	884.89
C Term Loan from a Financial Institution (Refer Note 5.3 and 5.4)	4,292.38	176.00	-	3,913.45
D Term Loans From Others (Refer Note 5.3 and 5.4)	-	5,606.18	4,170.46	1,435.72

UNSECURED:

From Related Parties (Refer Note 5.10)	26.99	-	368.72	-
From Others (Refer Note 5.10)	1,193.90	-	2,017.47	-
Total	21,286.54	44,932.32	24,363.17	40,433.23

- 5.1 (a)** Term loans of ₹ 29,958.04 (Previous Year ₹ 28023.86) from Banks other than those covered in (b) and (c) 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 the Holding Company's immovable property being Hotel "VITS" at Andheri (East), hypothecation on movable fixed assets of the Holding Company's hotels at Fort Jadhav Gadh Pune and VITS, Nashik, Credit Card receivables, equitable mortgage of hotel property at Lotus Goa, mortgage / hypothecation of Land and Building / other Movable assets of the Lotus Resorts, Silvassa owned by promoter group company, pledge of Equity Shares of the Holding Company held by promoters, pledge of Equity Shares of the Subsidiary companies viz. Orchid Hotels Pune Pvt. Ltd., Kamats Restaurants (India) Pvt. Ltd., Fort Jadhavgad Hotels Pvt. Ltd. and Fort Mahodadhinivas 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 ₹ 17,573.09 Lakhs (Previous year ₹ 17,421.31 Lakh) 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)** Term loan of ₹ 1,948.94 Lakhs (Previous Year ₹ 2,110.37 lakhs) taken by Joint venture company from a Bank is secured by (i) equitable mortgage of Land & Building and proposed additions to the 4 Star hotel building at Bhubaneshwar, Orissa owned by the holding company ii) First Charge on entire assets of the joint venture company and hypothecation of hotel equipments and furniture of the proposed 4 star hotel located at Bhubaneshwar Orissa iii) Corporate guarantee of holding company and promoter group company, iv) Personal guarantee of Dr. Vithal V. Kamat and Mrs. Vidya V. Kamat, Directors of the Joint Venture company. The term loan has been restructured during the previous year on the following terms and conditions:
- (i) Unavailed portion of ₹ 7.27 Crores of Term Loan has been cancelled (ii) the Joint Venutue Company has to bring 15% of sacrifice amount (iii) Royalty is not payable to Kamat Hotels (India) Limited till the term loan is repaid, (iv) Promoters to bring in ₹ 1.00 Crore in the Joint Venture Company in a phased manner in the form of equity/premium, (v) Concessional rate of interest @12.50% p.a. is applicable on loan.
- 5.2** Term Loans under Structured Mezzanine Credit Facility from Banks 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.
- 5.3** Term loans from Financial Institution and Others including assigned loans 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 the Holding 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 Holding Company held by promoters, pledge of Equity Shares of the Subsidiary companies viz. Orchid Hotels Pune Pvt. Ltd., Kamats Restaurants (India) Pvt. Ltd., Fort Jadhavgad Hotels Pvt. Ltd. and Fort Mahodadhinivas 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** During the year, 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 as despite best efforts by the Holding Company, the stipulated assets of the Holding 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 ₹ 25,199.32 lakhs (Prev. Year ₹ Nil) to securitisation and asset reconstruction companies during the year and after the close of the financial year. Accordingly, these loans at their restated values have been classified as Non-Current and Current Maturities in accordance with the agreements with the assignees, where such agreements have been executed and will be classified subsequently on execution of such agreements.

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

- 5.5 In respect of loans from two lenders, no provision for interest aggregating to ₹ 530.03 lakhs (Prev. Year ₹ Nil) has been made for the year ended 31st March, 2015 as the Holding Company has not accepted their claims and matter is disputed and in one case pending before the Bombay High Court. Adjustments, if any, will be made on reconciliation / settlement and disposal of the legal case filed by the lender.
- 5.6 Borrowings out of the aggregate amount of Non-Current and Current portion of ₹ 66,218.86 lakhs (Prev. Year ₹ 64,796.40 lakhs), to the extent of ₹ 39,720.91 lakhs (Prev. Year ₹ Nil) are subject to confirmation from respective lenders.

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

	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	13%	893.72	1,338.58	12,838.98	702.00
Term Loan from a Financial Institution- Assigned	-	278.00	327.00	1,946.00	1,741.37

- 5.8 Out of the above loans, comprising of both non-current and current portion, loans aggregating to ₹ 62,508.85 lakhs (Previous year ₹ 62,410.21 lakhs) have been guaranteed by directors and others.

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

	31st March, 2015		₹ In lakhs
	Current	Interest	Period of delays From - To Days
A Term Loans from Banks	32,220.82	9,814.33	1 - 701
B Term Loans under Structured Mezzanine Credit Facility from Banks	6,173.98	921.88	1 - 366
C Term Loans From Others	4,164.87	581.71	1 - 397

- 5.10 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.

6 OTHER LONG-TERM LIABILITIES:

	AS AT 31ST MARCH, 2015	AS AT 31ST MARCH, 2014
Deferred Sales Tax Liability (Refer Note 6.1)	75.00	100.00
Security Deposits - Others	474.29	59.45
Security Deposits from Joint Venture Company (Refer Note 6.2)	53.66	53.66
Time Share Membership- Refundable	1,553.46	1,661.00
Income received in Advance (Time Share)	714.10	787.96
Total	2,870.51	2,662.07

- 6.1 The Group 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 will be due in installments from the year 2013 to 2022.

- 6.2 The Group 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.

7 LONG-TERM PROVISIONS:

Provision for Employee Benefits- Gratuity (Refer Note No. 26.1.2)	14.38	15.21
Provision for Employee Benefits- Earned Leave (Refer Note No. 26.1.3)	174.92	147.40
Total	189.30	162.61

8 SHORT-TERM BORROWINGS

SECURED:

Working Capital Facility from a Bank (Refer Note 8.1)	704.41	717.72
---	--------	--------

UNSECURED:

Loans and Advances from Others	-	58.74
--------------------------------	---	-------

Total	704.41	776.46
--------------	---------------	---------------

- 8.1 Working Capital loan from a Bank is secured by hypothecation of entire stock and book debts (excluding credit card receivables and receivables of 127 rooms - The Orchid Expansion) of the Holding Company and second charge by mortgage of immovable property being Hotel "VITS" at Andheri (East), hypothecation of all movable assets thereat pledge of shares on pari passu basis with other CDR lenders and personal and corporate guarantees of certain promoter directors and entities.

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

₹ in Lakhs

	AS AT 31ST MARCH, 2015	AS AT 31ST MARCH, 2014
9 TRADE PAYABLES:		
Micro, Small and Medium Enterprises (Refer note 9.1)	9.60	42.01
Others	2,073.55	2,975.30
Payable to related parties	34.12	38.68
Total	2,117.27	3,055.99
9.1 Micro, Small and Medium Enterprises as defined under MSMED Act, 2006 have been identified by the Group 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	9.60	42.01
- Interest	13.77	8.31
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.	4.78	4.44
Amount of interest accrued and remaining unpaid at the year end	13.77	8.31
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	0.10	0.16
10 OTHER CURRENT LIABILITIES:		
Current Maturities of Long-Term Debts: (Refer Note 5.4 and 5.5)		
From Banks (Refer Note 5.1)	32,399.46	34,199.17
Term Loans under Structured Mezzanine Credit Facility from banks (Refer Note 5.2)	6,750.68	884.89
Term Loan from a Financial Institution (Refer Note 5.3)	176.00	3,913.45
Term Loans from Others (Refer Note 5.3)	5,606.18	1,435.72
	44,932.32	40,433.23
Creditors for Capital Expenditure	191.27	269.98
Advance from customers	337.48	280.53
Income Received in Advance (Time Share)	102.91	103.41
Income Received in Advance (Others)	71.83	85.73
	174.74	189.14
Bank Balance Overdrawn	19.52	181.13
Interest Accrued And Due	5,496.20	2,311.01
Interest Accrued But Not Due	112.61	261.33
	5,608.81	2,572.34
Unpaid / Unclaimed Dividends (Refer Note 10.1)	6.16	9.64
Other Payables (Refer Note 10.2)	1,281.15	955.53
Total	52,551.45	44,891.52
10.1 There is no amount due and outstanding to be credited to Investor Education and Protection Fund as on 31st March, 2015.		
10.2 Includes employees dues, statutory dues and security deposits.		
11 SHORT-TERM PROVISIONS:		
Provision for Employee Benefits- Gratuity (Refer Note No. 26.1.2)	95.34	59.84
Provision for Employee Benefits- Earned Leave (Refer Note No. 26.1.3)	56.09	54.96
Provision for Income Tax (Net of payments)	-	0.92
Provision for Wealth Tax (Net of payments)	0.83	5.85
Total	152.26	121.57

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

12. FIXED ASSETS :

Description	GROSS BLOCK-COST / BOOK VALUE			DEPRECIATION / AMORTISATION			NET BLOCK	
	As at 1st April, 2014	Additions / adjustments during the year	Deductions / adjustments during the year	As at 1st April, 2014	For the year	Depreciation Adjustment in Opening Retained Earning (Refer Note 36)	Deductions / adjustments during the year	As at 31st March, 2015
₹ in lakhs								
I) <u>TANGIBLE</u>								
Land								
a) Freehold	3,405.22	-	125.78	-	-	-	-	3,279.44
b) Leasehold	31.28	-	-	0.06	-	-	-	31.22
Sub-Total	3,436.50	-	125.78	0.06	-	-	-	3,310.66
Buildings								
a) Freehold	9,599.45	-	41.74	2,553.32	355.36	176.08	12.81	6,485.76
b) Improvements to Buildings under Long Term Contracts	60,875.54	141.97	20.96	6,762.95	1,550.84	145.67	-	52,537.09
Sub-Total	70,474.99	141.97	62.70	9,316.27	1,906.20	321.75	12.81	59,022.85
Plant and Equipment	9,694.88	51.60	6.46	3,939.26	865.56	197.72	4.01	4,741.49
Furniture and Fixtures	2,354.68	26.45	0.55	1,865.85	259.85	17.96	0.37	2,372.29
Vehicles	205.98	40.71	7.55	141.97	38.40	7.42	6.61	57.96
Office Equipment	435.23	2.77	0.10	191.98	10.83	23.10	0.10	212.09
Sub-Total	12,690.77	121.53	14.66	6,139.06	1,174.64	246.20	11.09	5,248.83
Total	86,602.26	263.50	203.14	15,455.39	3,080.84	567.95	23.90	67,582.34
II) <u>INTANGIBLE</u>								
Computer Softwares	200.67	21.13	49.37	148.04	3.47	2.16	17.57	36.33
Total	200.67	21.13	49.37	148.04	3.47	2.16	17.57	36.33
Grand Total	86,802.93	284.63	252.51	15,603.43	3,084.31	570.11	41.47	67,618.67
Previous Year Total	86,852.93	242.19	292.19	13,266.27	2,496.20	-	159.04	71,199.50
Capital Work-in-Progress	177.63	49.87	208.66	18.84	-	-	-	18.84
(Note 12.2)								
Previous Year Total	3,625.77	(30.42)	3,417.72	177.63	-	-	-	177.63

NOTES:

- 12.1 Buildings include (i) cost of residential flats of ₹ 1.96 lakhs (Prev. year ₹ 43.71 lakhs) and (ii) Cost of residential flats of ₹ 32.53 lakhs (Prev. Year ₹ 32.53 lakhs) as part of proposed hotel project at Nagpur.
- 12.2 Capital work-in-progress includes expenses Interest on Fixed Loans ₹ Nil (Prev. Year ₹ 57.29 lakhs); General Expenses ₹ 12.97 lakhs (Prev. Year ₹ 2.63 lakhs); Advertisement Charges ₹ Nil (Prev. Year ₹ 0.12 lakhs); Building Under Construction ₹ 5.50 lakhs (Prev. Year ₹ 111.94 lakhs); Furniture & Fixtures ₹ Nil (Prev. Year ₹ 4.62 lakhs); Plant & Machinery ₹ 0.36 lakhs (Prev. year ₹ Nil); Repairs & Maintenance ₹ Nil (Prev. Year ₹ 0.50 lakhs); Legal & Professional Charges ₹ Nil (Prev. Year ₹ 0.53 lakhs)

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

₹ in Lakhs

		AS AT 31ST MARCH, 2015	AS AT 31ST MARCH, 2014
13 NON-CURRENT INVESTMENTS			
A. 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 ₹ 10 -The Satara Sahakari Bank Limited		5.01	5.01
(10,010)			
Tax Saving Bonds (Unquoted)			
200 ₹ 5,000 ICICI Tax Saving Bonds (Maturing On 16.11.2017)		10.00	10.00
(200)			
Investments in Government Securities			
6 Year NSC (Maturity on 18.08.2016)		0.05	0.05
Total Non-Current Investments		15.09	15.09
Aggregate amount quoted Investments			
-Cost		0.03	0.03
-Market Value		0.02	0.02
Aggregate amount of unquoted Investments			
-Cost		15.06	15.06
13.1	Figures in brackets are in respect of previous year.		
14 DEFERRED TAX ASSET:			
Deferred tax Liability			
Related to Depreciation on Fixed Assets		7,647.72	6,923.14
Total		7,647.72	6,923.14
Deferred tax Assets			
Expenses allowable for tax purpose on payment basis		2,619.59	1,934.07
Provision for Employee Benefits		106.83	81.09
Provision for Doubtful Debts		346.80	116.44
Merger Expenses		1.07	2.04
Short-Term Capital Loss		-	3.27
Long-Term Capital Loss		-	18.19
Unabsorbed Depreciation / Business Loss		6,198.70	5,576.58
Total		9,272.99	7,731.68
Deferred Tax Assets (net) after adjustments		(1,625.27)	(808.54)
Incremental Deferred Tax (asset) / charge for the year		(816.72)	(1,215.77)
15 LONG-TERM LOANS AND ADVANCES:			
(Unsecured, good, unless otherwise stated)			
Capital Advances (include ₹ 208.65 lakhs	213.42		226.65
(Previous Year ₹ 208.65 lakhs) considered doubtful)			
Less: Provision for doubtful advances	208.65		208.65
		4.77	18.00
Inter Corporate Deposit- Considered Doubtful	200.00		200.00
Less: Provision for Doubtful Deposits	200.00		200.00
	-	-	-
Payment of Taxes (Less Provisions) (Refer Note 15.1)		642.47	470.98
MAT Credit Entitlement		38.79	-
Prepaid Expenses		8.31	1.48
		694.34	490.46

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

- 15.1** Payment of Taxes is net of provision for tax of ₹ 283.71 lakhs (Previous Year ₹ 275.98 lakhs) and further after adjusting ₹ 249.51 lakhs (Previous year ₹ 249.51 lakhs) for MAT credit availed during the previous year.

		AS AT 31ST MARCH, 2015	AS AT 31ST MARCH, 2014
₹ in Lakhs			
16 OTHER NON-CURRENT ASSETS:			
(Unsecured, good, unless otherwise stated)			
Security Deposits		247.62	252.38
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)	8,524.87		8,524.87
Less: Provision for doubtful deposit	488.62		488.62
		8,036.25	8,036.25
Preliminary Expenses		0.27	0.33
Total		8,284.14	8,288.96

- 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 group are directors).

- 16.2** In terms of the Memorandum of Understanding with a Public Trust owning a plot of land in Mumbai, the Holding Company had paid ₹ 488.62 lakhs as security deposit and incurred expenditure of ₹ 207.93 lakhs for a proposed hospitality project on the said land in earlier years. The owner did not fulfill his obligation to complete the infrastructure for the aforesaid project despite follow up by the Holding 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 Holding 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 Holding 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 Holding 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 Holding Company is contemplating to approach the High Court again for directions. 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.

17 CURRENT INVESTMENTS:

Investments in Mutual Funds- Unquoted

SBI PSU FUND 50,000 (Previous Year 50,000) Units of ₹ 10/- each fully paid up
(NAV - ₹ 4.70 lakhs (Previous Year ₹ 3.88 lakhs))

Total

4.70	5.00
4.70	5.00

18 INVENTORIES:

(At Lower of weighted average cost and net realisable value)

Raw Materials and Others

- Food and Beverages
- Stores and Operating Supplies

Total

185.18	166.12
342.71	345.97
527.89	512.09

19 TRADE RECEIVABLES:

(Unsecured, good, unless otherwise stated)

Unsecured:

- Over Six Months [₹ 1,007.27 lakhs (Previous year ₹ 361.05 lakhs) considered doubtful] (Refer Note 19.1)
- Other Debts [₹ Nil (Previous year ₹ Nil) (considered doubtful)]

Less: Provision for Doubtful Debts

Total

1,259.24	791.78
1,004.29	1,174.00
2,263.53	1,965.78
1,007.27	361.05
1,256.26	1,604.73
6.07	12.31

- 19.1** Includes due from Ilex Developers & Resorts Limited (Joint venture company)

Annual Report 2014-2015



NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

		₹ in Lakhs	
		AS AT 31ST MARCH, 2015	AS AT 31ST MARCH, 2014
20 CASH AND BANK BALANCES:			
Cash and Cash Equivalents:			
- Balance with Banks		683.51	636.05
- Cash on hand		47.92	61.39
- Cheques on hand		2.05	7.36
- Foreign Exchange in hand		0.79	0.33
Sub-total		734.27	705.13
Other Bank Balances:			
- Margin Money in Fixed Deposits with Banks		102.38	194.21
- Dividend Bank Accounts		6.16	9.65
Sub-total		108.54	203.86
Total		842.81	908.99
21 SHORT TERM LOANS AND ADVANCES:			
(Unsecured, good)			
- Loans and Advances to Employees		0.75	0.17
- Deposits including Balances with Government and other agencies		32.67	45.24
- Advance Payment of Taxes (Net)(Refer Note 21.1)		192.31	380.27
- Prepaid Expenses		185.90	310.45
- Others (Refer Note 21.2)		883.12	886.49
Total		1,294.75	1,622.62
21.1	Payment of taxes is net of provision for tax of ₹ 1,007.44 lakhs (Previous Year ₹ 1,007.44 Lakhs).		
21.2	Include advances to suppliers and for expenses.		
22 OTHER CURRENT ASSETS:			
(Unsecured, good)			
- Interest Receivable on Bank Deposits and Investments		66.03	56.26
- Preliminary Expenses		0.07	0.07
Total		66.10	56.33
23 REVENUE FROM OPERATIONS:			
Revenue from Hotel Operations:			
Rooms		9,001.52	7,709.02
Food and Beverages		5,866.36	6,647.15
Income from Time Share Business (Refer Note 23.1)		345.95	390.93
Management and Consultancy Fees (Refer Note 35)		233.70	185.42
Sub total 'A'		15,447.53	14,932.52
Other Operating Revenue:			
Swimming Pool and Health Club		76.64	60.79
Conference and Banqueting Services		236.58	265.67
Internet and Telephone		19.66	14.73
Laundry Services		64.36	63.28
Car Rental and Transportation		59.71	117.57
Membership - Sales Promotion Schemes		139.29	207.82
Licence Fees - Shops and Offices		157.04	165.84
Miscellaneous Services		163.59	199.35
Sub total 'B'		916.87	1,095.05
Sub total 'A' + 'B'		16,364.40	16,027.57
Less: Excise Duty relating to sale of Food and Beverages		0.24	1.06
Total		16,364.16	16,026.51

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

- 23.1** The Group'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.

		₹ in Lakhs	
		FOR THE YEAR ENDED	
		31ST MARCH, 2015	31ST MARCH, 2014
24	OTHER INCOME:		
	Interest Earned		
	Interest on Long Term Investments	8.44	7.45
	Interest from Banks on deposits	33.87	20.88
	Interest from Others	9.76	174.69
		52.07	203.02
	Gain on Foreign Exchange	9.65	4.80
	Dividend on Long Term Investments	0.50	0.13
	Liabilities and Provisions written back (Refer Note 24.1)	48.43	149.12
	Licence Fees-Other Properties	92.73	75.75
	Recovery of Excess Managerial remuneration of earlier year (Refer Note 26.3)	24.72	-
	Profit on disposal of fixed assets (Net)	251.02	-
	Other Non Operating Income	49.76	20.64
	Total	528.88	453.46
24.1	Liabilities and Provisions written back include ₹ Nil (Previous Year ₹ 24.94 lakhs) towards excess provisions for leave encashment , no longer required, written back.		
25	COST OF FOOD AND BEVERAGE CONSUMED:		
	Opening Stock	166.12	126.24
	Add: Purchases (Refer Note 25.1)	1,752.34	1,913.27
		1,918.46	2,039.51
	Less: Closing Stock	185.18	166.12
	Total	1,733.28	1,873.39
25.1	Particulars of imported and indigenous food and beverages consumed:		
	Value - Imported	15.82	35.37
	- Indigenous	1,717.46	1,838.02
		1,733.28	1,873.39
	Percentage - Imported	0.91%	1.89%
	- Indigenous	99.09%	98.11%
		100.00%	100.00%
26	EMPLOYEE BENEFIT EXPENSES:		
	Salaries and Wages	3,300.23	3,437.64
	Contribution to Provident and other Funds	176.10	160.45
	Provision for Gratuity (Refer Note No. 26.1.2)	65.71	16.78
	Provision for Leave Encashment (Refer Note No. 26.1.3)	29.44	0.48
	Staff Welfare Expenses	278.89	267.40
	Total	3,850.37	3,882.75
26.1	The disclosures required under Accounting Standard 15 "Employee Benefits" (AS 15) as notified by the Companies (Accounting Standards) Rules 2006, are given below:		
26.1.1	Defined Contribution Plan:		
	Contribution to Defined Contribution Plan, recognised and charged off for the year are as under:		
	Contributions to Provident Fund	161.65	158.77

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

₹ in Lakhs

FOR THE YEAR ENDED

31ST MARCH, 2015 31ST MARCH, 2014

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	210.58	242.66
Current Service Cost	32.19	37.31
Interest Cost	19.56	19.41
Actuarial (gain) / loss	26.67	(33.19)
Benefit Paid	(33.91)	(55.61)
Defined Benefit obligation at year end	255.09	210.58

b) Reconciliation of opening and closing balance of fair value of plan assets

Fair value of plan assets at beginning of the year	151.47	185.71
Expected return on plan assets	13.18	16.16
Employers Contribution	28.81	7.02
Benefit Paid	(33.91)	(55.61)
Actuarial (gain) / loss	0.45	(1.80)
Fair value of plan assets at year end	160.00	151.47
Actual return on plan assets	13.18	16.16

c) Reconciliation of fair value of assets and obligations

Fair value of plan assets as at 31st March, 2015	160.00	151.47
Present value of obligation as at 31st March, 2015	255.09	210.58
Amount recognised in Balance Sheet	95.10	59.10

d) Net Gratuity and other cost for the year

Current Service Cost	32.19	37.31
Interest Cost	6.38	19.41
Expected return on plan assets	-	(16.16)
Actuarial (gain) / loss	26.23	(31.39)
Net Cost	64.80	9.18

e) Investment Details

L I C Group Gratuity (Cash Accumulation) Policy	% invested	% invested
	100	100

f) Actuarial assumptions

Mortality Table (L.I.C)	2006-08	1994-96
	(Ultimate)	(Ultimate)
Discount rate (per annum)	7.98%	9.29%
Expected rate of return on plan assets (per annum)	7.98%	8.70%
Rate of escalation in salary (per annum)	6.50%	6.50%
Employers Best estimate of expected contribution for next year	95.10	59.10

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 Holding Company's policy for plan assets management.

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	₹ in Lakhs	
	FOR THE YEAR ENDED	
	31ST MARCH, 2015	31ST MARCH, 2014
Gratuity (Non Funded)		
a) Change in Present Value of Obligation		
Present value of the obligation at beginning of the year	15.95	8.34
Current Service Cost	6.13	3.97
Interest Cost	1.27	0.76
Actuarial (Gain) / Loss on Obligation	(8.72)	2.87
Benefit Paid	-	-
Present value of the obligation at the end of the year	14.62	15.95
b) Amounts Recognised in the Balance Sheet:		
Present value of Obligation at the end of the year	14.62	15.95
Fair value of Plan Assets at the end of the year	-	-
Net Obligation at the end of the year	14.62	15.95
c) Amounts Recognised in the Statement of Profit and Loss:		
Current Service Cost	6.13	3.97
Interest cost on Obligation	1.27	0.76
Expected return on Plan Assets	-	-
Net Actuarial (Gain) / Loss recognised in the year	(8.72)	2.87
Net Cost	(1.32)	7.60
d) Actuarial assumptions		
Discount rate	7.80%	9.10%
Expected Rate of Return on Plan Assets	--	--
Salary Escalation Rate	7.00%	7.00%
Mortality Table (LIC)	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives (2006-08) Ultimate

26.1.3 Leave encashment (Non Funded)

Reconciliation of opening and closing balances of Defined Benefit obligation

a) Defined Benefit obligation at beginning of the year		
Defined Benefit obligation at beginning of the year	202.36	227.34
Opening Balance transferred from merger companies	-	-
Current Service Cost	3.26	5.75
Interest Cost	0.27	0.82
Benefit Paid	12.03	4.77
Actuarial (gain) / loss	38.46	(26.79)
Defined Benefit obligation at year end	231.02	202.36
b) Reconciliation of fair value of assets and obligations		
Present value of obligation as at 31st March, 2015	231.02	202.36
Amount Recognised in Balance Sheet	231.02	202.36
c) Expenses recognised during the year		
Current Service Cost	3.26	5.75
Interest Cost	0.27	0.82
Actuarial (gain) / loss	38.46	(26.79)
Net Cost	41.99	(20.22)

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

		₹ in Lakhs	
		FOR THE YEAR ENDED	
		31ST MARCH, 2015	31ST MARCH, 2014
26.2 Managerial Remuneration :			
Remuneration to Managing and Whole Time Directors (₹ 96.00 lakhs to Managing Director)		111.00	146.90
(Previous Year ₹ 96 Lakhs) (Refer Note 26.3)			
Contribution to Provident Fund		10.89	13.64
Perquisites		0.07	0.64
Sub-total		121.96	161.18
Directors Sitting Fees		3.70	5.45
Total		125.66	166.63
26.3	Payment of remuneration to Dr. Vithal V. Kamat, Executive Chairman and Managing Director (ECMD) for the period from 1st October, 2010 to 30th September, 2013 was approved by the shareholders of the Holding Company in the Annual General Meeting held on 25th September, 2010. However, in view of loss for the year ended 31st March, 2014, there was an excess remuneration of ₹ 24.72 lakhs for the period from 1st April, 2013 to 30th September, 2013 paid to ECMD and in terms of the decision of the Remuneration Committee in its meeting held on 28th May, 2014, the Holding Company had made an application to the Central Government for waiver of recovery of the above excess remuneration. In the absence of such approval the Holding Company has recovered the above excess remuneration and included in other income in note 24. Remuneration for the subsequent period from 1st October, 2013 and onwards has already been approved by the share holders in the Annual General Meeting held on 21st September, 2013 and by the Central Government vide approval dated 10th January, 2014. which is valid till 30th September, 2016.		
27 OTHER EXPENSES:			
OPERATING EXPENSES:			
Heat, Light and Power		2,080.03	2,050.67
Rent		405.87	324.72
Licences, Rates and Taxes (Refer Note 27.1)		629.24	584.98
Repairs to Buildings		200.15	104.01
Repairs to Plant and Machinery		252.72	226.94
Repairs to Others		143.35	97.97
Expenses on Apartments and Boards		579.94	511.49
Replacements of Crockery, Cutlery, Linen, etc.		116.28	89.10
Washing and Laundry Expenses		152.29	99.29
Water Charges		184.73	181.93
Sub-Total		4,744.60	4,271.10
GENERAL EXPENSES:			
Advertisement, Publicity and Sales Promotion		293.50	300.51
Travel Agents' Commission		74.58	161.14
Discount to Collecting Agents		275.06	118.52
Management / Licence Fees and Royalty		98.90	111.73
Loyalty Programme Expenses		-	14.85
Band and Music Expenses		112.71	110.16
Sub-Total		854.75	816.91

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

		₹ in Lakhs	
		FOR THE YEAR ENDED	
		31ST MARCH, 2015	31ST MARCH, 2014
ADMINISTRATIVE AND OTHER EXPENSES:			
Communication Expenses		95.36	104.64
Printing and Stationery		79.13	74.42
Legal and Professional charges		427.70	170.73
Directors' Sitting fees		3.70	5.45
Travelling and Conveyance		176.29	180.62
Insurance		49.70	52.55
Bad Debts		17.07	77.59
Provision for Doubtful debts		646.58	82.38
Auditors' Remuneration (Refer Note 27.2)		12.20	13.60
Sales Tax / Vat / Luxury Tax etc. including assessment dues		307.14	166.30
Loss on Sale/Discard of Operating Supplies (Net)		-	18.12
Profit / Loss on Diminution of Investments		0.31	-
Loss on Sale / Discard of Fixed Assets to net off		15.52	15.30
Prior Periods Expenses		14.47	46.15
Donation		0.60	-
Miscellaneous Expenses		77.90	80.07
	Sub-Total	1,923.67	1,087.92
	Total	7,523.02	6,175.93

27.1 The Municipal Corporation of Greater Mumbai (MCGM) has raised an additional demand for property tax of ₹ Nil lakhs (Previous Year ₹ 56.91 lakhs) for the year 2014-2015 in respect of the Holding Company's hotels and offices based on newly introduced capital value method w.e.f 1st April, 2010. The Holding Company has filed objections to the said valuation which are pending disposal by MCGM in respect of The Orchid, Mumbai and The Orchid Privi Wing Mumbai. In respect of Company's offices and Hotel Vits Mumbai, the Holding Company has filed appeals before the appropriate Court, Mumbai which are pending. Pending such disposal, the Holding 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 Holding Company's objections and appeals.

27.2 Auditors' Remuneration

- As Audit Fees	9.88	9.35
- Taxation Matters	0.48	2.17
- Other Services	1.35	1.27
- Out of Pocket Expenses	0.30	0.20
- Service Tax (net of Input tax credit availed)	0.18	0.62
Total	12.19	13.61

27.3 The Group has paid ₹1.25 lakhs (Previous Year ₹ Nil) as tax audit fees, ₹ 0.25 lakhs (Previous year ₹ Nil) for attending to taxation matter, ₹ 0.60 lakhs (Previous year ₹ Nil) for VAT audit fees and ₹ 0.26 lakhs (Previous Year ₹ Nil) as service tax thereon to a partner of the auditors.

28 FINANCE COSTS:

Interest Expense (Refer Note 28.1 & 28.2)	6,335.60	7,193.18
Other Borrowing Costs	1,719.24	55.25
Total	8,054.84	7,248.43

28.1 Interest expense include ₹ 1,085.61 lakhs (Prev. Year ₹ Nil) being additional interest relating to period upto 31st March, 2014 payable on loans which was necessitated due to withdrawal of CDR Scheme during the year.

28.2 Reference is invited to note 37 relating to non provision of interest for the year due to disputes with certain lenders.

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

		₹ in Lakhs	
		FOR THE YEAR ENDED	
		31ST MARCH, 2015	31ST MARCH, 2014
29 EXCEPTIONAL ITEMS:			
INCOME:			
Profit /(Loss) on Sale / Discard / Disposal of Fixed Assets (Net)		-	-
Forfeiture of Advance for Property - Bhubaneswar		-	300.00
		-	300.00
Less: EXPENSES:			
Loss on Write-off of Fixed Assets of certain unviable units of the Company		-	17.64
Loss on Write-off of Operating Supplies of certain unviable units of the Company		-	1.23
Incomplete Hotel Projects Expenses Written Off		-	241.73
		-	260.60
Total		-	39.40

30 Contingent Liabilities and Commitments.

I Contingent liabilities:

A Claims Against Group / Disputed liabilities not acknowledged as debts.

	AS AT 31ST MARCH, 2015	AS AT 31ST MARCH, 2014
i) Disputed Income Tax Demand	261.91	164.53
ii) Disputed Indirect Tax Demand	Nil	111.69
iii) Open import License	1,141.44	1,046.92
iv) Claims against the Group not acknowledged as debt.	897.06	371.22
v) Other Matters disputed	110.83	94.48

The Group 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 group, 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 Group to secure Bank Guarantees.	1,082.45	1,272.14

C Other Moneys for Which the Group is contingently liable.

i) Monetary value of unredeemed points in respect of Guest Loyalty program for Sales Promotion.	4.36	0.27
---	------	------

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)	16.97	8.59
--	-------	------

B Other Commitments

i) Undertaking given by the Holding 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	1,736.82
ii) Commitment to the V Privilege Scheme members for providing Hospitality services during the year 2014-15 as per membership sale value	163.23	80.33
iii) Obligations under CDR Scheme to the lenders to repay part of the term loans and funded interest term loan out of the sale proceeds of specified assets of the Holding Company by 31st March, 2014, though the specified asset could not be sold as stipulated. The Holding Company has given a proposal to the CDR lenders to repay the dues which is not yet disposed off.	Nil	22,500.00

iv) The Group 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 Group 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 Group on 22nd October, 2005 pursuant to Bombay High Court Order dated 2nd September, 2005 and as approved by the Board of Directors of the Group in the meeting held on 26th July, 2008. The modalities are being worked out.

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

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

31 Earnings Per Share

**Basic and Diluted
Particulars**

	YEAR ENDED	
	31ST MARCH, 2015	31ST MARCH, 2014
Net Profit / (Loss) after tax as per Statement of Profit and Loss (₹ in Lakhs)	(6,524.32)	(4,228.33)
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	2,08,30,543
Weighted average no. of Shares – Diluted	2,35,84,058	2,28,34,693
Basic E.P.S. (₹) :	(27.66)	(20.30)
Diluted E.P.S. (₹) : (See Note below)	(27.66)	(20.30)

Note: Since the Diluted EPS in the current year is anti-dilutive, the effect of anti-dilutive potential equity share is ignored in calculating diluted EPS in terms of AS -20.

32 Segment Reporting

The Group 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 notified by the Companies (Accounting Standards) Rules, 2006.

33 Related Parties Disclosures:

Related Parties where control exists:

- (a) List of Associates Companies where control exists and with whom transactions have taken place during the year:

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

- (b) Key Management Personnel and their relatives:

Dr. Vithal V. Kamat - Executive Chairman & Managing Director
Mr. Ramesh N. Shanbhag - Whole Time Director (Resigned during the year with effect from 30th August, 2013)
Mr. Vikram V. Kamat - Executive Director (Resigned during the year w.e.f 20th December, 2014 as Executive Director but continues as a Director and also relative.
Mrs. Vidya V. Kamat - Relative
Mr. Vishal V. Kamat - Chief Executive Officer of Fort Jadhavgadh, Pune and a relative

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

V. V. Kamat HUF

- (d) Summary of transactions during the year with Related Parties entered into on commercial basis in the interest of the Group and approved by the Board and status of outstanding balances as on 31st March, 2015:

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

₹ 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	12.53 (26.61)	Nil (Nil)	Nil (3.24)
2	Consultancy Fees/Fees paid towards hotel property under Business Contract Agreement	74.65 (89.35)	Nil (Nil)	Nil (Nil)
3	Purchase of goods & services	8.05 (20.96)	16.17 (20.33)	Nil (Nil)
4	Remuneration to Key Management Personnel	Nil (Nil)	142.01 (173.56)	Nil (Nil)
5	Loans Repaid during the year	399.00 (35.29)	Nil (Nil)	Nil (0.40)
6	Loans Taken during the year	85.00 (431.00)	Nil (Nil)	Nil (Nil)
7	Advances Repaid during the year	35.35 (25.00)	Nil (Nil)	Nil (Nil)
8	Deposits Repaid during the year	Nil (415.90)	Nil (Nil)	25.00 (Nil)
9	Share Application Money received	Nil (485.00)	Nil (Nil)	Nil (Nil)
10	Share Application Money refunded	185.00 (Nil)	Nil (Nil)	Nil (Nil)
11	Equity Shares Allotted during the year	Nil (449.07)	Nil (Nil)	Nil (Nil)
12	Advances given on Capital/Current Accounts	Nil (634.44)	Nil (Nil)	Nil (Nil)
13	Corporate Guarantee / Personal Guarantee provided CDR obligation (to the extent of loan outstanding)	Nil (25,881.48)	Nil (38,583.00)	Nil (Nil)
14	Balance outstanding at the year end:			
(a)	Share application money pending allotment	Nil (185.00)	Nil (Nil)	Nil (Nil)
(b)	Accounts receivable	5.38 (646.76)	Nil (Nil)	Nil (Nil)
(c)	Deposit paid includes Under Business Contract Agreements	8,053.66 (8,000.00)	Nil (Nil)	Nil (25.00)
(d)	Long Term Trade Deposit received towards Business Contract Agreement.	53.66 (53.66)	Nil (Nil)	Nil (Nil)
(e)	Amounts Payable	71.04 (445.65)	3.51 (30.44)	0.01 (Nil)
(f)	Undertaking given by the Associate companies in favour of IL&FS towards repayment of loan from 50% of Sale Proceeds of their immovable properties.	4,213.18 (4,213.18)	Nil (Nil)	Nil (Nil)
(g)	Corporate Guarantee issued by the Group in favour of banks on behalf of Joint Venture Company	1,000.00 (1,000.00)	Nil (Nil)	Nil (Nil)
(h)	Corporate Guarantee / Personal Guarantee provided by Plaza Hotels Private Limited / Kamats Holiday Resorts (Silvassa) Limited / Executive Chairman & Managing Director and Executive Director (to the extent of loan outstanding at the year end)	42,693.19 (40,770.26)	61,110.32 (54,634.30)	Nil (Nil)
(i)	Corporate Guarantee / Personal Guarantee provided CDR obligation (to the extent of loan outstanding)	25,881.48 (25,881.48)	38,583.00 (38,583.00)	Nil (Nil)

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

				₹ in Lakhs
Sr. No.	Nature of transactions	Joint Venture & specified companies	Key Management Personnel & relatives *	Other related parties
(j)	Holding Company has Mortgaged its Land and proposed additions to the Hotel Building at Bhubaneshwar in favour of a Bank on behalf of Joint Venture Company	799.68 (799.68)	Nil (Nil)	Nil (Nil)
(k)	Corporate Guarantee/ Personal Guarantee Provided to bank to secure the borrowings of the Group	3,000.00 (3,000.00)	5,273.00 (5,273.00)	Nil (Nil)
*Relatives of Key Management Personnel: Mrs. Vidya V. Kamat (wife of Dr. Vithal V. Kamat and mother of Mr. Vikram Kamat), and Mr. Vishal V Kamat (Son of Dr. Vithal V. Kamat and brother of Mr. Vikram V Kamat).				
** Figures in brackets are for previous year.				

(l) Statement of Material Transactions:

			₹ in Lakhs
Name of Related Party	YEAR ENDED		
	31ST MARCH, 2015	31ST MARCH, 2014	
Specified Companies:			
Plaza Hotels Private Limited			
- Fees paid towards hotel property under Business Contract Agreement	74.65	89.35	
- Deposit paid Under Business Contract Agreements for hotels	8,000.00	8,000.00	
- Amounts Payable	16.03	30.44	
- Corporate Guarantee provided by the above for securing loans taken by the Group	36,454.19	34,521.26	
- 3,19,618 Equity shares of ₹ 10/- each allotted during the year as per the scheme of merger at a premium of ₹ 125/- per share.	Nil	431.48	
- Undertaking given towards repayment of Loan	1,837.92	1,837.92	
- Joint Corporate Guarantee issued to Banks/Lenders on behalf of the Holding Company as per CDR obligations with other Associate Companies	38,583.00	38,583.00	
Kamats Holiday Resorts (Silvassa) Limited			
- Corporate Guarantee provided by the above for securing loans taken by the Group	6,239.00	6,239.00	
- Joint Corporate Guarantee issued to Banks/Lenders on behalf of the Holding Company as per CDR obligations with other Associate Companies	38,583.00	38,583.00	
Kamats Amusements Private Limited			
- 2,05,128 Equity shares of ₹ 10/- each allotted during the year as per the scheme of merger at a premium of ₹ 125/- per share.	Nil	276.92	
Talent Hotels Private Limited			
- Undertaking given towards repayment of Loan	2,375.26	2,375.26	
Nagpur Ecohotel Private Limited.			
- 10,00,000 Equity shares of ₹ 10/- each allotted during the year as per the scheme of merger at a premium of ₹ 125/- per share.	Nil	1,350.00	

			₹ in Lakhs
Name of Related Party	YEAR ENDED		
	31ST MARCH, 2015	31ST MARCH, 2014	
Vits Hotels (Bhubaneshwar) Private Limited.			
- Share Application money received pending allotment	Nil	185.00	
- Share Application money received during the year	Nil	485.00	
- Share Application money Refunded during the year	185.00	Nil	
- 6,29,629.63 Equity shares of ₹ 10/- each allotted during the year as per the scheme of merger at a premium of ₹ 125/- per share.	Nil	850.00	

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

Key Management Personnel and Management:

Dr. Vithal V. Kamat

- Remuneration (Refer Note 26.3)	105.57	105.93
- Royalty paid for brand	15.45	20.39
- Amounts Payable	Nil	3.24
- 21,86,640 Equity shares of ₹ 10/- each allotted during the year as per the scheme of merger at a premium of ₹ 125/- per share.	Nil	2,951.96
- Personal Guarantee provided by him for securing loans taken by the Group	48,782.25	45,371.53
- Joint Personal Guarantee issued to Banks/Lenders on behalf of the Holding Company as per CDR obligations with executive Director	38,583.00	38,583.00

Vishal V. Kamat

- Remuneration	15.05	12.38
- Personal Guarantee provided by him for securing loan taken by the Group	1,413.31	1,413.31

Vikram V. Kamat

- Remuneration	21.38	32.76
- Personal Guarantee provided by him for securing loan taken by the Group	10,914.75	10,849.46
- Joint Personal Guarantee issued to Banks/Lenders on behalf of the Holding Company as per CDR obligations	38,583.00	38,583.00

Ramesh N. Shanbhag

- Remuneration (Resigned during the year with effect from 30th August, 2013)	Nil	22.48
--	------------	-------

Other Related Parties:

Vithal V. Kamat-HUF

- Gross Sale of services including Management & Consultancy Fees	Nil	3.24
- 10,974 Equity shares of ₹ 10/- each allotted during the year as per the scheme of merger at a premium of ₹ 125/- per share.	Nil	14.81
- Deposit refunded during the year	25.00	Nil
- Deposit paid includes Under Business Contract Agreement	Nil	25.00

34 Leases

The Group'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 con

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 Group:

Particulars	YEAR ENDED	
	31ST MARCH, 2015	31ST MARCH, 2014
Payable within one year -	331.62	317.91
Payable later than one year but not later than five years -	1,233.90	1,254.95
Payable after five years -	6,207.56	6,503.48

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

Particulars	YEAR ENDED	
	31ST MARCH, 2015	31ST MARCH, 2014
Receivable within one year -	278.61	154.44
Receivable later than one year but not later than five years-	342.31	182.28

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

- 35** 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 during the year. The Holding Company is entitled to a fixed fee of seven percent of the annual turnover of the banquet halls and restaurant. The Holding Company has received the fee of ₹ 96.79 lakhs (Previous Year ₹ Nil) for the year which is included in Note 23.
- 36** Pursuant to notification of Schedule II to the Companies Act, 2013 with effect from 1st April, 2014, depreciation for the year ended 31st March, 2015 has been provided on the basis of useful lives as prescribed therein except in respect of items of plant and machinery costing ₹ 10,000/- or less which are depreciated fully in the year of acquisition. Accordingly, depreciation for the year ended 31st March, 2015 is higher by ₹ 289.29 lakhs due to change in the estimate of useful life of certain assets and an amount of ₹ 570.11 lakhs (Net of deferred tax) has been recognized in the opening balance of retained earnings in respect of assets in respect of which useful life is nil.
- 37** The Holding Company has borrowed funds from various banks, financial institutions and certain NBFCs in the past. Due to financial crisis faced by economic slow down and other factors, it was unable to repay its loan obligations in the year 2012-2013 and accordingly it had applied for debts restructuring under Corporate Debt Restructuring (CDR) mechanism. A majority of lenders participate in the CDR. A CDR package was worked out under which the debts of the participating lenders were restructured certain rate concessions were given and unpaid interest was converted into funded interest loan. Under the restructure scheme, the Holding Company was obliged to pay a part of the borrower by 31st March, 2014 to certain lenders out of sale proceeds of one of its hotel units. Despite best effort, the Holding Company could not dispose off the said unit by 31st March, 2014. Accordingly, Asset sale Committee formed by the lenders as per the direction of the CDR EG Committee approved the withdrawal of the Holding Company's name from the CDR mechanism on account of failure in the meeting held on 23rd July, 2014. Due to failure of the CDR mechanism on account and due to financial stringencies, the Holding Company could not repay the loan and interest dues to its lenders, including to those lenders who did not participating in CDR package during the year. Consequently, 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 dues during the year. The Holding Company has disputed the same. One of the lenders filed suit for recovery of the entire dues after the close of the financial year, which is pending before the Bombay High Court and the Holding Company has disputed the claim. Reference is invited to Notes 5.5 and 30 regarding disputed interest and charges aggregating to ₹ 530.03 lakhs, which have not been provided in the accounts.

38 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	Amount ₹ in Lakhs	As % of consolidated profit or loss	Amount ₹ in Lakhs
Parent				
Kamat Hotels (India) Limited	(47.17%)	(2,639.49)	90.67%	(5,915.69)
Subsidiaries				
Orchid Hotels Pune Private Limited	14.23%	796.33	7.00%	(456.85)
Kamats Restaurants (India) Private Limited	0.01%	0.65	0.00%	(0.11)
Fort Mahodadhinivas Palace Private Limited	(2.21%)	(123.71)	1.53%	(99.78)
Fort Jadhavgad Hotels Private Limited	(0.01%)	(0.31)	0.00%	(0.09)
Green Dot Restaurants Private Limited	0.56%	31.52	(0.01%)	0.78
Joint Venture(as per proportionate consolidation)				
Ilex Developers & Resorts Limited	6.87%	384.56	(0.19%)	12.27

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

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

Part "A": Subsidiaries

	₹ in Lakhs	
	AS AT 31ST MARCH, 2015	AS AT 31ST MARCH, 2014
a) Orchid Hotels Pune Private Limited		
Reporting Currency	INR	INR
Share Capital	1,176.47	1,176.47
Reserves and Surplus	(380.14)	86.67
Total Assets	44,859.72	45,830.12
Total Liabilities	44,063.39	44,566.98
Turnover / Total Income	2,841.21	2,481.20
Profit / (loss) before Taxation	(751.27)	(2,269.79)
Deferred Tax Asset	(294.43)	720.54
Profit / (loss) after Taxation	(456.85)	(1,549.26)
Proposed Dividend	Nil	Nil
% of Shareholding	100%	100%
b) Kamats Restaurants (India) Private Limited		
Reporting Currency	INR	INR
Share Capital	1.00	1.00
Reserves and Surplus	(0.35)	(0.24)
Total Assets	0.83	0.93
Total Liabilities	0.17	0.17
Turnover / Total Income	Nil	Nil
Profit / (loss) before Taxation	(0.11)	(0.10)
Deferred Tax Asset	Nil	Nil
Profit / (loss) after Taxation	(0.11)	(0.10)
Proposed Dividend	Nil	Nil
% of Shareholding	100%	100%
c) Fort Mahodadhinivas Palace Private Limited		
Reporting Currency	INR	INR
Share Capital	1.00	1.00
Reserves and Surplus	(124.71)	(24.93)
Total Assets	2,012.89	1,995.27
Total Liabilities	2,136.60	2,019.20
Turnover / Total Income	30.39	24.33
Profit / (loss) before Taxation	(144.39)	(35.53)
Deferred Tax Asset	(44.61)	11.10
Profit / (loss) after Taxation	(99.78)	(24.43)
Proposed Dividend	Nil	Nil
% of Shareholding	100%	100%

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	₹ in Lakhs	
	AS AT 31ST MARCH, 2015	AS AT 31ST MARCH, 2014
d) Fort Jadhavgadh Hotels Private Limited		
Reporting Currency	INR	INR
Share Capital	1.00	1.00
Reserves and Surplus	(1.31)	(1.22)
Total Assets	0.10	0.11
Total Liabilities	0.41	0.33
Turnover / Total Income	Nil	Nil
Profit / (loss) before Taxation	(0.09)	(1.05)
Deferred Tax Asset	Nil	Nil
Profit / (loss) after Taxation	(0.09)	(1.05)
Proposed Dividend	Nil	Nil
% of Shareholding	100%	100%
e) Green Dot Restaurants Private Limited		
Reporting Currency	INR	INR
Share Capital	1.00	1.00
Reserves and Surplus	30.52	29.74
Total Assets	36.06	41.70
Total Liabilities	4.54	10.96
Turnover / Total Income	3.86	42.85
Profit / (loss) before Taxation	1.74	16.52
Current Tax	0.96	5.85
Profit / (loss) after Taxation	0.78	10.67
Proposed Dividend	Nil	Nil
% of Shareholding	100%	100%
Part "B" : Joint Venture		
Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Joint Venture		
Name of Joint Venture: Ilex Developers & Resorts Limited		
Latest audited Balance Sheet Date	31ST MARCH, 2015	31ST MARCH, 2014
No. of Shares held by the year end	2.67	2.67
Amount of Investment in Joint Venture (₹ in Lakhs)	533.00	533.00
Extent of Holding %	32.92%	32.92%
Networth attributable to Shareholding as per latest audited Balance Sheet	384.56	372.42
Profit/Loss for the year (₹ in Lakhs)		
- Considered in Consolidation	12.27	(35.21)
- Not Considered in Consolidation	25.00	(71.75)
Description of how there is significant influence	Due to percentage of Share Capital	
Reason why the joint venture is not consolidated	-	-

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

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

		₹ in Lakhs	
		AS AT 31ST MARCH, 2015	AS AT 31ST MARCH, 2014
(i)	Assets		
	Fixed Assets	840.70	925.78
	Deferred Tax Assets (Net)	67.19	65.83
	Long Term Loans and Advances	32.34	30.47
	Other Non-Current Assets	0.03	0.04
	Current Assets	169.04	142.62
(ii)	Liabilities		
	Reserves and Surplus	357.91	345.78
	Long Term Borrowings	591.22	641.84
	Long Term Provisions	4.40	3.42
	Current Liabilities	129.11	147.05
(iii)	Income	315.56	212.15
(iv)	Expenses	304.65	262.75

41 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: 30th May, 2015

For and on behalf of Board of Directors

Dr. Vithal V. Kamat

Executive Chairman & Managing Director

(DIN : 00195341)

Vikram V. Kamat

Director

(DIN : 00556284)

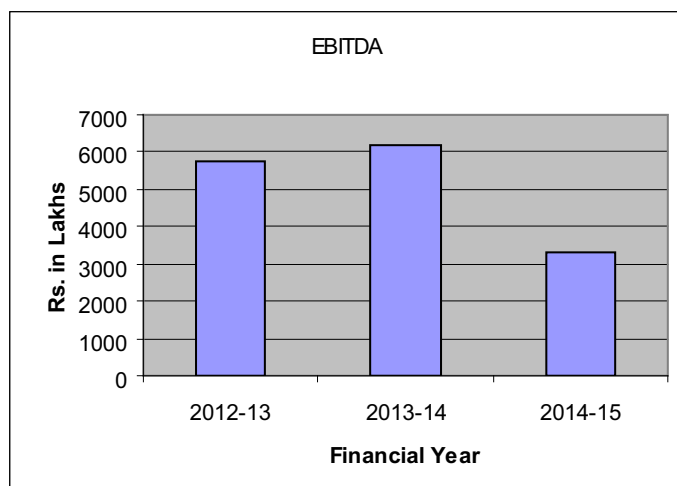
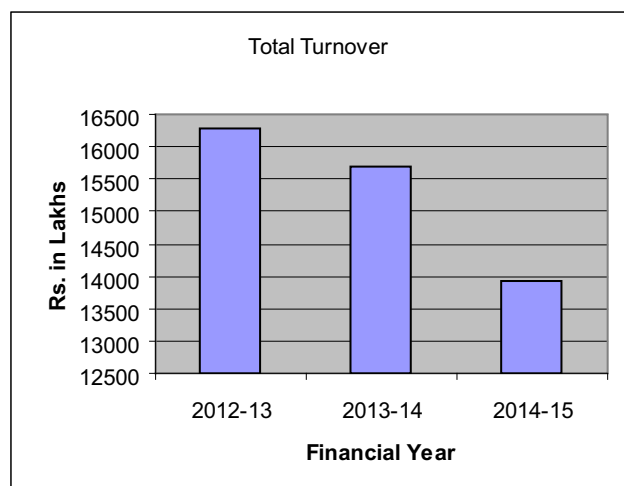
Kurian Chandy

Chief Financial Officer

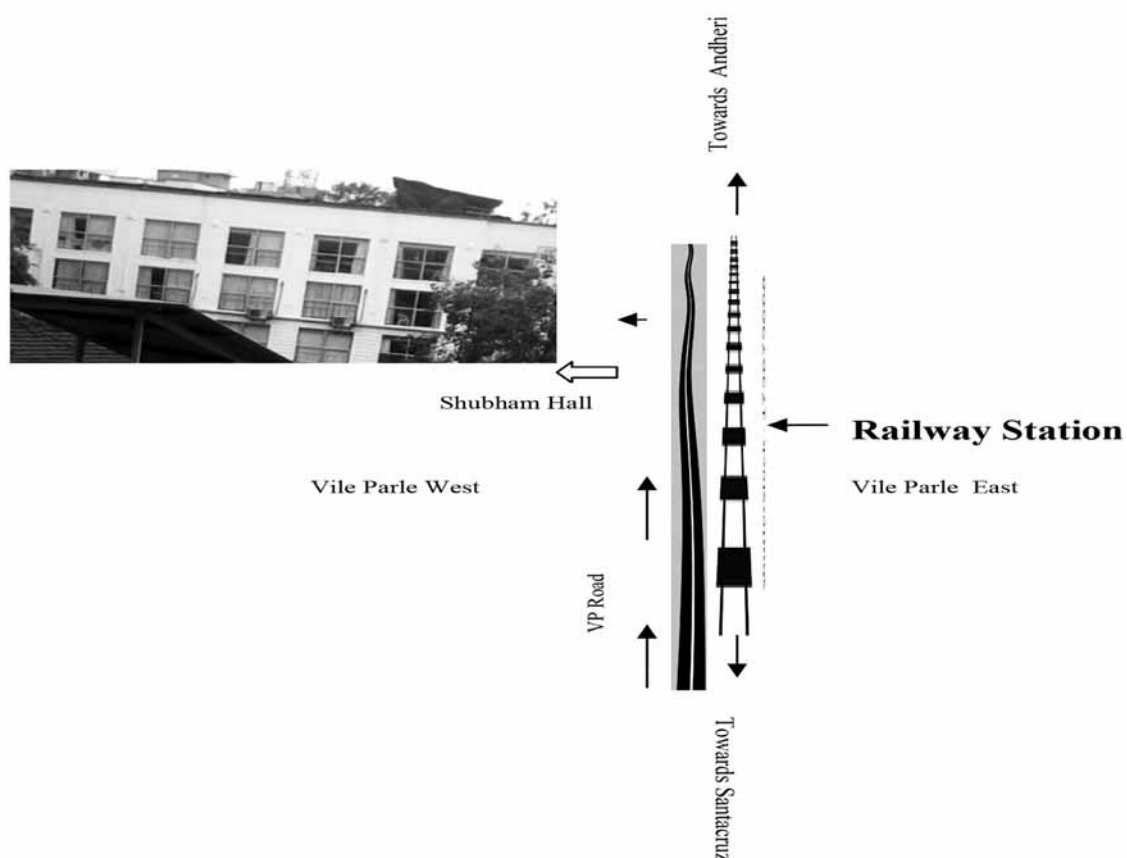
Mahesh Kandoi

Company Secretary

PERFORMANCE BAR CHARTS (STANDAONE)



ROUTE MAP FOR VENUE OF ANNUAL GENERAL MEETING OF KAMAT HOTELS (INDIA) LTD.



NOTES

[illegible]

NOTES

[illegible]



KAMAT HOTELS (INDIA) LIMITED

CIN No: L55101MH1986PLC039307

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

Tel No. 022 2616 4000; Email: cs@khil.com Website: www.khil.com

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 28th Annual general meeting of the Company, to be held on the 12th day of September, 2015 at 3.30 p.m. at "Shubham Hall", Landmark Building, Opposite Vile Parle Railway Station, Junction of Besant Road and V. P. Road, Vile Parle (West), Mumbai – 400 056 and at any adjournment thereof in respect of such resolutions as are indicated below:

* I wish my above Proxy to vote in the manner as indicated in the box below:

Sr. No.	Resolutions	Optional *	
		For	Against
	<u>Ordinary Business</u>		
1.	Adoption of Audited financial statement for the year ended on 31 st March, 2015 and Reports of the Board and Auditors thereon.		
2.	Appoint a Director in place of Mr. Vikram V. Kamat, who retires by rotation and being eligible offers himself for re-appointment.		
3.	Re-appointment of Auditors and fix their remuneration.		
	<u>Special Business</u>		
4.	Appointment of Ms. Himali H. Mehta as an Independent Director of the Company.		

Signed this..... day of....., 2015

Signature of shareholder

Affix Revenue Stamp

Signature of Proxy holder(s)

- Note:
- 1 This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
 - 2* It is optional to put a '✓' in the appropriate column in front of the resolutions indicated in the table above. If you leave the 'For' or 'Against' column blank against any or all resolution(s), your proxy will be entitled to vote in the manner he / she thinks appropriate.
 - 3 Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
 - 4 In the case of jointholders, the signature of any one holder will be sufficient, but names of all the jointholders should be stated.



MUMBAI, MAHARASHTRA



NASHIK, MAHARASHTRA



AURANGABAD, MAHARASHTRA



PUNE, MAHARASHTRA



BHUBANESWAR, ORISSA



**SILVASSA,
UNION TERRITORY**



GOA



KONARK, ORISSA



THE
ORCHID[®]
— FIVE STAR ECOTEL HOTEL —
FRIENDLY. ECO-FRIENDLY

ECOTEL[®] – The Hallmark of Environmentally Sensitive Hotels
A Unit of Kamat Hotels (India) Ltd.

MUMBAI, MAHARASHTRA



THE
ORCHID[®]
— FIVE STAR ECOTEL HOTEL —
FRIENDLY. ECO-FRIENDLY

ECOTEL[®] – The Hallmark of Environmentally Sensitive Hotels
A Unit of Kamat Hotels (India) Ltd.

PUNE, MAHARASHTRA



Fort
Jadhav GADHI
A Gadh Heritage Hotel
Ladh, Jhagadh, Aage Badh...
PUNE, MAHARASHTRA



Fort
Mahodadhi
A Gadh Heritage Hotel
PURI, ORISSA