KAMAT HOTELS (INDIA) LIMITED

August 31, 2016

To,
The Manager
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra –Kurla Complex,
Bandra (E), Mumbai – 400 051.

Dear Sir,

Code:- KAMATHOTEL-EQ

This is to inform you that the 29th Annual General Meeting of the members of the Company is scheduled to be held on Saturday the 24th September, 2016 at "Shubham Hall", Landmark Building, Opposite Vile Parle Railway Station, Junction of Besant Road and V. P. Road, Vile Parle (West), Mumbai – 400 056 at 3.30 p.m.

Please find attached herewith Annual Report of the Company for the year ended 31st March, 2016 for your record.

Kindly acknowledge the receipt of the same.

Thanking you,

Yours faithfully,
For Kamat Hotels (India) Limited

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

REGD OFF. 70-C, NEHRU ROAD, VILE PARLE (EAST), MUMBAI 400 099. TEL.: 2616 4000 FAX : 2616 4203
Email-Id : cs@khil.com • Website : www.khil.com • CIN : L55101MH1986PLC039307

THE ORCHID® — FIVE STAR ECOTEL HOTEL — FRIENDLY. ECO - FRIENDLY
ECOTEL® - The Hallmark of Environmentally Sensitive Hotels
A Unit of Kamat Hotels (I) Pvt. Ltd.
Fort Jadhav GADH A Gadh Heritage Hotel Ladh, Jhagadh, Aage Badh...
VITS® — Guest. Rest. Best. — Luxury Business Hotels
LOTUS RESORTS Chill. Still. Tranquil.

KAMAT HOTELS (INDIA) LIMITED

29TH ANNUAL REPORT 2015 - 16

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

Mumbai, Maharashtra

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

Mumbai, Maharashtra

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

Jadhavgadh, Pune, Maharashtra

LOTUS RESORTS — Chill. Still. Tranquil.

Goa

Financial Highlights of the Company (Standalone)

₹ in lakhs

Particulars	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006
Income from operations	15,084.55	13,331.29	13,405.76	13,831.97	14,162.77	12,070.28	10,281.27	12,003.96	14,761.18	11,192.98	8,146.25
Other Income	731.65	599.34	2,273.30	2,455.29	2,229.04	257.56	1,082.76	644.22	505.93	89.81	87.83
Total Income	15,816.20	13,930.63	15,679.06	16,287.26	16,391.81	12,327.84	11,364.03	12,648.18	15,267.11	11,282.79	8,234.08
Total Expenditure	16,369.34	20,400.20	40,489.66	17,203.91	16,373.20	11,821.83	11,299.55	11,660.17	10,898.32	8,274.65	6,513.15
Profit/(Loss) Before Tax	(553.14)	(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
Taxation	(117.17)	(553.88)	(1,549.91)	(350.26)	(80.58)	349.10	(74.20)	421.92	1,628.93	949.94	163.02
Profit/(Loss) After Tax	(8,528.27)	(5,915.69)	(23,260.69)	(566.39)	99.19	137.32	138.68	566.09	2,740.66	2,058.20	1,557.91
Equity Share Capital	2,417.26	2,417.26	2,417.26	1,968.19	1,968.19	1,562.97	1,378.59	1,378.59	1,378.59	1,378.59	1,378.59
Reserves and Surplus	(13,585.02)	(5,056.76)	1,418.95	22,642.61	23,209.01	17,576.78	15,134.70	14,996.02	14,817.79	12,547.95	10,875.76
Net-worth	(11,461.69)	(2,933.42)	3,542.28	24,316.87	24,883.26	19,139.75	16,513.29	16,374.61	16,196.38	13,926.54	12,248.33
Earning per Share (₹)	(36.16)	(25.08)	(111.67)	(2.97)	0.62	0.96	1.05	2.99	21.63	15.60	12.38
Book Value per Share (₹)	(48.54)	(12.44)	15.02	127.36	130.32	127.25	125.13	124.07	122.72	105.52	92.81
Return on Net Worth (percentage)	NA	NA	(656.66)	(2.33)	0.40	0.72	0.84	3.44	16.87	14.78	12.72
Dividend	-	-	-	-	-	-	-	12%	30%	25%	15%

KAMAT HOTELS (INDIA) LIMITED
BOARD OF DIRECTORS

Dr. Vithal Venketesh Kamat
Executive Chairman and Managing Director

Mr. Bipinchandra Chunilal Kamdar
Additional Director
(w.e.f. 6th August, 2016)

Mr. Vikram V. Kamat
(Non Executive Director till 15th June, 2016)

Mr. Dinkar D. Jadhav
Independent Director

Ms. Himali H. Mehta
Independent Director

COMPANY SECRETARY

Mr. Mahesh Kandoi
(till 13th February, 2016)

AUDITORS

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

BANKERS

Canara Bank

Andhra Bank

State Bank of India

Axis Bank

Oriental Bank of Commerce

Kotak Mahindra Bank

REGISTERED OFFICE
70-C, Nehru Road,
Near Santacruz Airport,
Vile Parle (East), Mumbai – 400 099,
Maharashtra, India.
Email : cs@khil.com Website : www.khil.com
Tel No. 022 2616 4000 Fax No. 022 2616 4203

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

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KAMAT HOTELS (INDIA) LIMITED

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

NOTICE

Notice is hereby given that the Twenty-Ninth 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 24th September, 2016 at 3.30 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited financial statement including consolidated Financial statement of the Company for the year ended on 31st March, 2016 and Reports of the Board and Auditors thereon.

2. 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 Statutory Auditors of the Company for the Financial Year 2016 - 2017, 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 as recommended by the Audit Committee"

SPECIAL BUSINESS:

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 Section 152 and any 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 and the Articles of Association of the Company, Mr. Bipinchandra Chunilal Kamdar (DIN: 01972386), who was appointed as an Additional Director of the Company with effect from 6th August, 2016 by the Board of Directors under Section 161 of the Companies Act, 2013 and who holds office as such upto the date of 29th 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 his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company whose term shall be liable to retire by rotation.

   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."

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

   RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 and all other applicable provisions if any, of the Companies Act, 2013 read with schedule V thereto and Companies (Appointment and remuneration of managerial personnel) rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) and provisions of Articles of Association and subject to approval of Central Government, the members of the Company do hereby reappoint Dr. Vithal V. Kamat (DIN: 00195341) as an Executive Chairman and Managing Director of the Company who shall not be liable to retire by rotation, for a period of 3 years w.e.f. 1st October, 2016 upto 30th September, 2019 on the terms of appointment as approved by Board of Directors and Nomination and Remuneration Committee and subject to approval of Central Government including remuneration and perquisites as set out in the annexed Explanatory Statement in respect of Item No. 4 with authority to the Board of Directors to alter and vary the said terms of appointment including remuneration and perquisites in such manner as may be agreed to between the Board of Directors and Dr. Vithal V. Kamat.

   RESOLVED FURTHER THAT in case of inadequacy or absence of profit in any financial year of the Company during the term of office of Dr. Vithal V. Kamat as Executive Chairman and Managing Director, the remuneration and perquisites mentioned in the preceding paragraph shall nevertheless be paid as minimum remuneration, provided that the remuneration and perquisites shall not exceed the ceiling provided in the applicable slab of Schedule V to the Companies Act, 2013 as amended from time to time.

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

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

Place : Mumbai.
Date : 6th August, 2016

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

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

NOTES:

1) Mr. Vikram V. Kamat was liable to retire by rotation at this Annual General Meeting, however due to his resignation from the office of Director of the Company w.e.f 15th June, 2016, the Company is left with no other director whose term shall be liable to retire by rotation. Presently the Company has three Directors; Chairman and Managing Director and two Independent Directors all of whose terms are not liable to retire by rotation. Hence, none of the Directors of the Company are liable to retire by rotation at the current Annual General Meeting and in place of Mr. Vikram V. Kamat the Company is proposing the appointment of Mr. Bipinchandra Chunilal Kamdar as Director of the Company.

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

   (b) 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.

3) 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 Prxoy 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 29th Annual General Meeting and ending with the conclusion of the said Annual General Meeting, to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than three days of notice in writing of the intention so to inspect is given to the Company.

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

5) The members or proxies are requested to bring with them the Annual Report of the Company.

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

7) The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 13th September, 2016 to Saturday, 24th September, 2016 (both days inclusive) for the purpose of Annual General Meeting.

8) In terms of Section 124 of the Companies Act, 2013 and 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, 2009 shall be transferred to Investor Education and Protection Fund (IEPF) by 31st December, 2016.

9) The members who have not en-cashed their dividend warrants so far for the financial year ended on 31st March, 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.

10) The details pertaining to the directors seeking appointment /re-appointment as required under Regulation 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) are furnished in Annexure II to the Notice.

11) 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.

    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.

12) Annual Reports 2015-16 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 2015-16 are being sent by physical mode to those members who have not registered their email addresses with the Company / Depository Participant.

13) 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.

14) 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.

15) EVOTING:

I. Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meeting (SS 2) issued by the Institute of Company Secretaries of India, 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 29th 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.

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/ JPG 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 (xiii) 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).

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.: 022 24994600.

V. The remote e-voting period commences on 21st September, 2016 (9.00 a.m.) and closes on 23rd September, 2016 (5.00 p.m.). At the end of the remote e-voting period, the portal where votes are cast shall forthwith be blocked.

VI. Cut off date: will be 17th September, 2016.

Persons who have become member 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.

VII. M/s. V. V. Chakradeo & Co., Practising Company Secretary, Mumbai, the scrutinizer will, within 48 hours from the conclusion of the Annual General Meeting 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 to Dr. Vithal V. Kamat, Executive Chairman and Managing Director of the Company.

VIII. The results declared along with the scrutinizer's report shall be placed on the website of the company and on the website of the RTA or NSDL within two days of passing of the resolution at the 29th Annual general meeting.

IX. Subject to receipt of sufficient votes, the resolution shall be deemed to be passed on the date of the 29th Annual general meeting.

X. Remote e-voting facility shall not be available beyond 23rd September, 2016 (5.00P.M.)

XI. Company shall provide voting facility at the Meeting by way of Polling Paper.

XII. 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.

XIII. Names of the Members appearing in the Register of Members as on 17th September, 2016 shall only be entitled to vote.

XIV. 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:- Senior 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

Public Notice under Rule 20 (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

XV. Members holding shares, both Physical and Demat, are entitle to vote through remote e-voting.

16. Route map of the venue of Annual General Meeting is annexed.

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

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

Place : Mumbai.
Date : 6th August, 2016

ANNEXURE I TO THE NOTICE

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

ITEM NO. 3:

Mr. Bipinchandra Chunilal Kamdar was appointed as an Additional Director by the Board of Directors of the Company with effect from 6th August, 2016 pursuant to Section 161 of the Companies Act, 2013. As per Section 161 of the Companies Act, 2013, he holds the office of Director up to the date of the forthcoming 29th Annual General Meeting and is eligible for appointment. The Company has received a notice in writing along with requisite security deposit from a member proposing the candidature of Mr. Bipinchandra Chunilal Kamdar as a Director of the Company under the provisions of Section 160 of the Companies Act, 2013. Therefore, it is proposed to appoint Mr. Bipinchandra Chunilal Kamdar as a Director of the Company whose term shall be liable to retire by rotation.

Mr. Bipinchandra Chunilal Kamdar is a Science Graduate and have experience of more than 30 years in hotel industry.

As per Section 152(4) of the Companies Act, 2013, Mr. Bipinchandra Chunilal Kamdar has furnished his Director Identification Number to the Company. The Company has also received declaration from him that he is not disqualified to become a Director under the Companies Act, 2013.

The Nomination and Remuneration Committee has recommended to the Board, appointment of Mr. Bipinchandra Chunilal Kamdar as a Director of the Company.

The brief resume of Mr. Bipinchandra Chunilal Kamdar is provided in Annexure II to the notice.

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

Except Mr. Bipinchandra Chunilal Kamdar 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.

ITEM NO. 4:

The shareholders had, at the 26th Annual General Meeting held on 21st September, 2013, appointed Dr. Vithal V. Kamat as Executive Chairman and Managing Director for a period of 3 years from 1st October, 2013. The tenure of Dr. Vithal V. Kamat as Executive Chairman and Managing Director will expire on 30th September, 2016.

Therefore it is proposed that Dr. Vithal V. Kamat be reappointed as Executive Chairman and Managing Director of the Company for a further period of 3 years from 1st October, 2016. Since the Company has inadequate profits, during the Financial Year 2015-16, the remuneration payable to Dr. Vithal V. Kamat shall be based on the Effective Capital of the Company.

Pursuant to the recommendation of Nomination and Remuneration Committee and the Board of Directors at their meetings held on 28th May, 2016, approved the re-appointment of Dr. Vithal V. Kamat as an Executive Chairman and Managing Director for a period of 3 years effective from 1st October, 2016 on the following terms and conditions, subject to approval of the members in general meeting.

REMUNERATION

Remuneration of ₹ 98,00,000/- per annum in the form of salary will be paid for a period of one year with effect from 1st October, 2016.

The remuneration payable to Dr. Vithal V. Kamat during the remaining period of his term as an Executive Chairman and Managing Director i.e. from 1st October, 2017 to 30th September, 2019, will be determined by the Board on the recommendation of the Nomination and Remuneration Committee subject to the maximum monetary limit of ₹ 98,00,000/- per annum.

The following perquisites shall not be included in the computation of the said ceiling on “remuneration”:-

- Contribution to provident fund, superannuation fund or annuity fund to the extent these contributions, either singly or put together, are not taxable under the Income Tax Act, 1961.
- Gratuity payable as per the rules of the Company, so as not to exceed half month’s salary for each completed year of service.
- Encashment of leave: As per the Company’s Rules, at the end of the tenure.

Other perquisites:

- Medical expenses on actual basis to be reimbursed for self and family. In addition, Mediclaim coverage for self and family as per the rules of the Company will be available to Dr. Vithal V. Kamat.
- Reimbursement of electricity charges.
- Telephone at actuals.
- Club fee: actuals for not exceeding two clubs.
- Leave travel allowance: As per the rules of the Company.

- Dr. Vithal V. Kamat will be entitled to all other staff benefits/ various staff welfare schemes as are provided under the rules of the Company prevailing from time to time.

Other terms of appointment:

- As the Executive Chairman and Managing Director, Dr. Vithal V. Kamat shall, subject to the supervision and control of the Board of Directors, manage the business and affairs of the Company.
- Dr. Vithal V. Kamat will not be paid any fee for attending the meetings of the Board or any Committee thereof.
- Dr. Vithal V. Kamat will not be liable to retire by rotation.
- The appointment may be terminated at any time by either party giving to the other party six months notice of such termination and neither party will have any claim against the other for damages or compensation by reason of such termination.
- Tenure: 1-10-2016 to 30-09-2019.

The brief resume of Dr. Vithal V. Kamat is provided in Annexure II to the notice.

The Directors recommend the passing of the resolutions set out at Item No. 4 of the accompanying Notice as special resolution.

None of the Directors or KMP (Key Managerial Personnel) except Dr. Vithal V. Kamat is concerned or interested in the said resolution.

STATEMENT PURSUANT TO POINT (iv) OF SECOND PROVISO OF SECTION II OF PART II OF SCHEDULE V OF THE COMPANIES ACT, 2013 IN RESPECT OF RESOLUTION AT ITEM NO. 4.

I. **GENERAL INFORMATION:**

1) The nature of the industry: Hotels and Hospitality.

2) Date or expected date of commencement of commercial production: The Company was incorporated on 21st March, 1986 and has been in the business of hotels and hospitality since inception.

3) The financial performance of the Company based on given indicator is as under:

Rs. in Lakhs

	Current year 2015-16	Previous year 2014-15
Turnover	15,816.20	13,930.63
Profit	(8,528.27)	(5,915.69)
Dividend	-	-

4) Foreign investments or collaborations: The Company has no exports, foreign collaborations or foreign investments (except foreign exchange earnings from hotel guests).

II. **INFORMATION ABOUT THE APPOINTEE:**

1) Background Details:

Dr. Vithal V. Kamat is associated with the Company as Managing Director since 1994. The members of the company had at the 26th Annual General Meeting held on 21st September, 2013, re-appointed Dr. Vithal V. Kamat as Executive Chairman and Managing Director for a further period of 3 years from 1st October, 2013. The tenure of Dr. Vithal V. Kamat as Executive Chairman and Managing Director will be expiring on 30th September, 2016.

Dr. Vithal V. Kamat, Executive Chairman and Managing Director of Kamat Hotels (India) Limited, is well known hotelier in the Country. He is in the hospitality business for about 43 years. Under his leadership and due to his initiation "The Orchid" (Flagship unit of the Company) has become Asia's First Ecotel Hotel in 5 star category. Dr. Vithal V. Kamat is also instrumental in winning 93 prestigious national and international awards for "The Orchid" within a span of about 19 years since the opening of this hotel.

Dr. Vithal V. Kamat is a diploma holder in Electrical Engineering (IV Sem.) and was honored with the degree of Doctor of Science (Honoris Causa) by Padmashree Dr. D. Y. Patil University on 13th April, 2012.

2) Past Remuneration:

The maximum rermuneration payable to Dr. Vitthal V. Kamat is Rs. 98,00,000 as approved by the Central Government vide their letter no. SRN B85479178/3/2013-CL-VII dated 10th January, 2014. However, the Company has paid remuneration upto an amount of Rs. 96,00,000 per annum.

3) Recognition or awards:

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

4) Job Profile and his suitability:

Dr. Vithal V. Kamat is associated with the Company since 1994 and he is managing and looking after the entire business affairs of the Company.

He is proficient in the hospitality related business which suits the need of the Company well.

5) Remuneration Proposed:

The remuneration proposed to be paid during the tenure of his re-appointment is detailed hereinabove under explanatory statement.

6) Comparative Remuneration profile with respect to industry, size of the Company, profile of the position and person:

The proposed salary and other perquisites to Dr. Vithal V. Kamat is parallel and alike to remuneration of executives occupying similar posts in other companies in hotels and hospitality related business.

7) Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any :

Except the remuneration and perquisites as stated above, shareholding of Dr. Vithal V. Kamat in the Company and his relation with Mr. Vishal V. Kamat, Chief Executive Officer, Fort Jadhavgadh, a unit of the Company, he has no other direct or indirect pecuniary relationship with the Company.

III. **OTHER INFORMATION:**

1) Reasons of loss or inadequate profits:

The overall hotels and hospitality sector in the country are facing tough time. There has been substantial increase in the input cost including power, electricity, man power etc. whereas the ARRs are subdued due to pressure of competition, demand and supply disparity, cost cutting measures by corporates etc. There has been pressure in the occupancy rates also. This has adversely affected the business and the profitability of the Company. Further, due to high debts of the Company the burden of repayment of loan and interest thereon has contributed to loss and has caused severe cash crunch.

2) Steps taken or proposed to be taken for improvement:

Various cost cutting measures have been implemented by the Company to reduce the expenses. Further, for reducing debts and improving the cash flow, the Company has been undertaking continuous efforts to sell its non strategic assets.

3) Expected increase in productivity and profits:

The profit of the Company is likely to remain inadequate for payment of managerial remuneration for few years.

IV. **DISCLOSURES:**

The required disclosures are mentioned in Corporate Governance section of the Annual Report.

ANNEXURE II TO THE NOTICE

As required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a brief profile of the Directors seeking appointment/ re-appointment is as follows:

1. Name: **Dr. Vithal V. Kamat (DIN 00195341) Age - 64 years**

Dr. Vithal V. Kamat, Executive Chairman and Managing Director of Kamat Hotels (India) Limited, is well known hotelier in the Country. He is in the hospitality business for about 43 years. Under his leadership and due to his initiation “The Orchid” (Flagship unit of the Company) has become Asia’s First Ecotel Hotel in 5 star category. Dr. Vithal V. Kamat is also instrumental in winning 93 prestigious national and international awards for “The Orchid” within a span of about 19 years since the opening of this hotel. He is a diploma holder in Electrical Engineering (IV Sem.) and was honored with the degree of Doctor of Science (Honoris Causa) by Padmashree Dr. D. Y. Patil University on 13th April, 2012.

Relationship with other Directors - Dr. Vithal V. Kamat has no inter - relationship with other Directors.

Directorships held in other Listed Companies: NIL, Audit Committee Membership in other Listed Companies: NIL, Stakeholders Relationship Committee Membership in other Listed Companies: NIL, Nomination and Remuneration Committee Membership in other Listed Companies-NIL, Shareholding in Kamat Hotels (India) Ltd.: 32,54,990 Shares.

2. Name: **Mr. Bipinchandra Chunilal Kamdar (DIN 01972386) Age- 88 years**

Mr. Bipinchandra Chunilal Kamdar is a Science Graduate and have experience of more than 30 years in hotel industry.

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

Directorship held in other Listed Companies: NIL, Audit Committee Membership in other Listed Companies: NILStakeholders Relationship Committee Membership in other Listed Companies: NILNomination and Remuneration Committee Membership in other Listed Companies: NILShareholding in Kamat Hotels (India) Ltd.: None

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

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

Place : Mumbai.
Date : 6th August, 2016

KAMAT HOTELS (INDIA) LIMITED

BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the 29th Annual Report together with the Audited financial statement of the Company for the year ended 31st March, 2016.

FINANCIAL SUMMARY

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

(Rs. in lakhs)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Total Income	15,816.20	13,930.63
Profit Before Interest, Depreciation & Taxation	4,673.33	3,316.48
Less: Interest and Finance Charges (net)	3,946.43	7,948.21
Less: Depreciation	1,280.04	1,837.84
Profit Before Exceptional Item and Tax	(553.14)	(6,469.57)
Add/(Less): Exceptional Item	(8,092.30)	-
Profit Before Tax	(8,645.44)	(6,469.57)
Less: Provision for current tax	-	117.18
Prior Period Adjustment – Income Tax	(117.17)	26.09
Deferred tax	-	(541.19)
MAT Credit entitlement	-	155.96
Profit After Tax but before Adjustments & Appropriations	(8,528.27)	(5,915.69)
Less: Prior Period Adjustments (Net)	-	-
Net (Loss)Profit after tax	(8,528.27)	(5,915.69)
Amount proposed to be carried to reserves	-	-
Add: Surplus / (Deficit) Brought Forward from previous year	(20,603.92)	(17,895.31)
Balance carried over to Balance Sheet	(29,132.19)	(20,603.92)

STATE OF COMPANY'S AFFAIRS

The average occupancy level of The Orchid, Mumbai, was, around 79% as compared to 69% in the previous year. The average occupancy level of VITS Mumbai was around 80% as compared to 72% in the previous year. The Average Room Rate, during the year under review, was at Rs. 5,553/- at The Orchid, Mumbai as compared to Rs. 5,355/- in the previous year and at Rs. 3,518/- at VITS, Mumbai as compared to Rs. 3,284/- in the previous year.

The total turnover of the Company for the year was recorded at Rs. 15,816.20 lakhs (of which the turnover of Rs. 9,000.36 lakhs pertains to The Orchid, Mumbai, Rs. 2,905.08 lakhs to VITS, Mumbai and Rs.3,910.76 lakhs to other units) as against Rs. 13,930.63 lakhs in the previous year, a increase of around 13.54% over the last year. The Company has registered loss after tax of Rs. 8,528.27 lakhs as compared to loss of Rs. 5,915.69 lakhs in the previous year.

MANAGEMENT / FRANCHISEE CONTRACTS

The Company has franchisee agreement for properties at VITS Aurangabad, Vithal Kamats Original Family Restaurants at Shahapur, Nashik and Solapur.

EXPLANATION AND COMMENTS ON QUALIFICATION MADE BY SECRETARIAL AUDITOR

Due to failure of the CDR mechanism in earlier year on account of and due to financial stringencies, the Company could not repay the loans and interest dues to its lenders, including to those lenders who did not participate in CDR package. Consequently, the lenders issued notices Under Section 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and recalled the entire dues. IL& FS Financial Services Ltd, filed suit for recovery of the entire dues during the financial year, which is pending before the Bombay High Court and the Company has disputed the claim. In terms of interim orders passed by the High Court the Company has been depositing proceeds of its credit card collections with the Prothonotary & Senior Master of the High Court. The Company has not made provision for interest on this loan as per loan agreement and final adjustment will be made on disposal of the application in due course of time.

DIVIDEND

In view of loss incurred by the Company during the year under review, the Board of Directors does not recommend any dividend for the financial year ended 31st March, 2016 (Previous year NIL).

SHARE CAPITAL

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 have not been any material changes and commitment affecting the financial position of the Company during the financial year 2015-16.

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

In accordance with the provisions of Companies Act, 2013 ("the Act"), SEBI (LODR) Regulations, 2015 and Accounting Standard (AS) - 21 on Consolidated Financial Statements, the audited consolidated financial statements form part of the Annual Report.

In view of this, the Balance Sheet, Statement of Profit and Loss and other related documents of the subsidiaries are not attached in this Annual Report. A copy of Audited Financial Statements of the Subsidiaries shall be made available for inspection at the Registered Office of the Company during business hours. Any shareholder interested in obtaining a copy of separate Financial Statements of the subsidiaries shall make specific request in writing to the Secretarial Department.

The Audited Financial Statements of the subsidiaries are also available on the website of the Company

As on 31st March, 2016 the Company had the following subsidiaries / joint ventures / associate Company:

Subsidiaries Company:

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

Joint Venture Company / Associate Company:

Ilex Developers & Resorts Limited (IDRL)

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 page No.116 and note number 37 to the consolidated financial statement and hence not repeated here for the sake of brevity.

DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL APPOINTED OR RESIGNED DURING THE YEAR AS PER RULE 8(5) OF COMPANIES (ACCOUNTS) RULES, 2014

Mr. Vikram V. Kamat resigned from the office of Director of the Company w.e.f. 15th June, 2016 due to his other commitments. The Board of Directors place on record its sincere appreciation for the valuable guidance and co-operation extended to the Company by Mr. Vikram V. Kamat during his tenure.

Mr. Vikram V. Kamat was liable to retire by rotation at the ensuing 29th Annual General Meeting, however due to his resignation from the office of Director of the Company w.e.f 15th June, 2016, the Company is left with no other director whose term shall be liable to retire by rotation. Presently the Company has three Directors; Chairman cum Managing Director and two Independent Directors all of whose terms are not liable to retire by rotation. Hence, none of the Directors of the Company are liable to retire by rotation at the ensuing 29th Annual General Meeting of the Company.

The Company has appointed Mr. Bipinchandra Chunilal Kamdar as an Additional Director on the Board of the Company w.e.f 6th August, 2016. The term of Mr. Kamdar as an Additional Director will expire on the date of the ensuing 29th Annual General Meeting of the Company. The Company has received a notice in writing along with requisite security deposit under provisions of Section 160 of the Companies Act, 2013 from a member proposing the candidature of Mr. Kamdar as a Director of the Company. The Notice convening the 29th Annual General Meeting contains necessary resolution for his appointment as a Director of the Company.

During the year under review, Mr. Kurian Chandy, Chief financial Officer and Mr. Mahesh Kandoi, Company Secretary resigned from their respective posts with effect from 13th February, 2016. Thereafter, on 28th May, 2016, the Company appointed Mr. G.N. Shenoy as the Chief Financial Officer of the Company, However Mr. G.N. Shenoy left for heavenly abode on 5th June, 2016.

STATEMENT ON 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.

NUMBER OF MEETINGS OF THE BOARD

During the financial year 2015-16, four 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 (3) (c) and 134 (5) of the Companies Act, 2013 the Directors hereby state that:

1. in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures.
2. 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, 2016 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) entered in to 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 policy on Board Diversity was formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at their respective meetings held on 22nd March, 2014. However, to bring the said policy in line with the new LODR, it was further modified at the meeting of the Board held on 7th November, 2015. 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 UNDER SECTION 186:

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

(Rs. in lakhs)

Particulars		Opening Balance	During the year	Closing Balance
Loans Given		20,474.06		20,474.06
Guarantee given or Security Provided	Guarantee given 20,434.00 Security provided 352.94 (given to wholly owned subsidiary)	20,786.94	-	20,786.94
Investment Made		9,884.53	-	556.24*

*Net of provision for diminution made during the year.

PARTICIULARS 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. However, with the Listing Agreement being replaced by the new LODR, the policy was further modified to bring in line with the Regulations, at the meeting of the Board held on 7th November, 2015. 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 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 PERFORMANE EVALUATION OF BOARD, COMMITTEES AND DIRECTORS

The Board of directors, at its meeting held on 6th February, 2016, evaluated its own performance and that of its committees and individual directors.

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

The individuals were evaluated on factors like 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 28th May, 2016 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

Your Company has so far bagged ninety three 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 detail of 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

COMPOSITION OF AUDIT COMMITTEE

The composition of the Audit Committee as required to be disclosed under Section 177(8) of the Companies Act, 2013 is given in Corporate Governance Section (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.

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

During the year under review, the company has not issued any shares with differential voting rights and sweat equities.

EMPLOYEE STOCK OPTION SCHEME

During the year under review, no option under 'Employee Stock Option Scheme-2013' was granted or vested to any employee or directors of the Company.

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

Not Applicable

DEPOSITS

There was no deposit accepted by the Company within the meaning of Section 73 of the Companies Act, 2013 and Rules made there under at the beginning of the year. During the year under review, the Company has neither invited nor accepted any deposit under Section 73 of the Companies Act, 2013 and the rules made there under and no deposit was remaining unpaid or unclaimed as at the end of the year.

SECRETARIAL AUDIT REORT:

In terms of Section 204 (1) of the Companies Act, 2013, a Secretarial Audit Report issued by M/s. V. V.Chakradeo & Co., Practising Company Secretaries is annexed as ***Annexure C*** of the Board's Report.

DETAILS AS PER SECTION 197(12) READ WITH RULE 5 OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AND FORMING PART OF THE BOARD'S REPORT FOR THE YEAR ENDED 31ST MARCH 2016.

The details 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 hotels are fitted with energy saving devices to conserve energy in the long run.

b) Technology Absorption:

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

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

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

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

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

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

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

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

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

c) Foreign exchange earnings and outgo:

Earnings: Rs. 1,507.74 Lakhs (Previous Year Rs. 1,491.72 Lakhs)

Utilization (including import of capital goods): Rs. 401.61 Lakhs (Previous Year Rs. 150.59 Lakhs)

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

During the period under review, no order had been passed by the regulators/ courts or tribunals which have an effect on the going concern status of the company and its operations.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS.

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 AS PER REGULATION 34(2) READ WITH SCHEDULE V(F) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATION, 2015

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

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

CORPORATE SOCIAL RESPONSIBILITY

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

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

CORPORATE GOVERNANCE

As per Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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. During the year, no instance of Sexual Harassment of Women under the said Act has been reported in any of the units of the Company.

STATUTORY AUDITORS

M/s. J. G. Verma & Co., Chartered Accountants, Mumbai retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. At the 28th Annual General Meeting held on 12th September, 2015, the Company had appointed M/s. J. G. Verma & Co., Chartered Accountants as Statutory Auditors for a period of one year to hold office from conclusion of 28th Annual General Meeting upto end of 29th Annual General Meeting.

The Audit Committee and the Board of Directors of the Company have recommended to the members re-appointment of M/s. J. G. Verma & Co., Chartered Accountants, as statutory Auditors to hold office from the conclusion of this Annual General Meeting upto next Annual General Meeting. The Company has received a letter from M/s. J. G. Verma & Co., Chartered Accountants, confirming that they are eligible for ratification of appointment

EXPLANATION AND COMMENTS BY THE BOARD ON QUALIFICATION / RESERVATION / ADVERSE REMARK / DISCLAIMER MADE IN THE AUDITORS' REPORT

The Auditors Report on Standalone and Consolidated Financial Statements forms part of the Annual Report and in respect of Emphasis of matter at point no. 1 to 3 of the Audit report of the Standalone Financial Statements, 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 concerned, particularly Company's bankers, Financial Institutions, Asset Reconstruction Companies, 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.

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

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

Place : Mumbai.
Date : 6th August, 2016

Annexure A to the Board's Report

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

for the financial year ended on 31.03.2016.

[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
1.	Orchid Hotels Pune Private Limited Address: Ground Floor, KHIL House, 70-C, Nehru Road, Vile Parle – (East), Mumbai - 400099	U55101MH2007PTC170188	Subsidiary	100%	2(87)(ii) of the Companies Act, 2013
2.	Fort Mahodadhinivas Palace Private Limited Address: 70-C, Nehru Road, Vile Parle–(East), Mumbai–400099	U55101MH2010PTC201685	Subsidiary	100%	2(87)(ii) of the Companies Act, 2013
3.	Kamats Restaurants (India) Private Limited Address: KHIL House, 70-C, Nehru Road, Vile Parle – (East), Mumbai – 400099	U55204MH2011PTC215698	Subsidiary	100%	2(87)(ii) of the Companies Act, 2013
4.	Fort Jadhavgadh Hotels Private Limited Address: KHIL House, 70-C, Nehru Road, Vile Parle – (East), Mumbai – 400099	U55101MH2012PTC227175	Subsidiary	100%	2(87)(ii) of the Companies Act, 2013
5.	Green Dot Restaurants Private Limited. Address: KHIL House, 70-C, Nehru Road, Vile Parle – (East), Mumbai – 400099	U55101MH2012PTC237229	Subsidiary	100%	2(87)(ii) of the Companies Act, 2013

Sr. No.	Name and Address of Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares	Applicable Section
6.	Ilex Developers & Resorts Limited Address: 70-C, Nehru Road, Vile Parle–(East), Mumbai–400099	U70102MH2008PLC184194	Associate	32.92%	Section 2(6) of the Companies Act, 2013

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

i) Category-wise Share Holding

		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	00	33,68,238	14.28	33,68,238	00	33,68,238	14.28	NIL
		b.Central Govt.	00	00	00	00	00	00	00	00	NIL
		c.State Govt (s)	00	00	00	00	00	00	00	00	NIL
		d. Bodies Corp.	1,09,93,722	00	1,09,93,722	46.62	1,09,93,722	00	1,09,93,722	46.62	NIL
		e. Banks / FI	00	00	00	00	00	00	00	00	NIL
		f. Any other	00	00	00	00	00	00	00	00	NIL
		Sub-Total (A) (1):-	**1,43,61,960**	**00**	**1,43,61,960**	**60.90**	**1,43,61,960**	**00**	**1,43,61,960**	**60.90**	**NIL**
	(2)	**Foreign**									
		a. NRIs – Individuals	00	00	00	00	00	00	00	00	NIL
		b. Other- Individual	00	00	00	00	00	00	00	00	NIL
		c. Bodies Coprp.	00	00	00	00	00	00	00	00	NIL
		d. Banks/FI	00	00	00	00	00	00	00	00	NIL
		e. Any other.	00	00	00	00	00	00	00	00	NIL
		Sub-Total (A) (2)	00	00	00	00	00	00	00	00	NIL
		Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	**1,43,61,960**	**00**	**1,43,61,960**	**60.90**	**1,43,61,960**	**00**	**1,43,61,960**	**60.90**	**NIL**
B.		**Public Shareholding**									
		1. Institutions									
		a) Mutual Funds	0	1,000	1,000	0.0042	0	1,000	1,000	0.0042	NIL
		b. Banks/Financial Institution	00	00	00	00	00	00	00	00	NIL
		c. Central Govt.	00	00	00	00	00	00	00	00	NIL
		d. State Govt.(s)	00	00	00	00	00	00	00	00	NIL
		e. Venture Capital Funds	00	00	00	00	00	00	00	00	NIL
		f. Insurance Companies	00	00	00	00	00	00	00	00	NIL
		g. FIIs/ FPI	2,57,431	00	2,57,431	1.09	2,57,431	00	2,57,431	1.09	NIL
		h. Foreign Venture Capital Funds	00	00	00	00	00	00	00	00	NIL
		i. Others (Specify)	00	00	00	00	00	00	00	00	NIL
		Sub – Total (B) (1):-	**2,57,431**	**1,000**	**2,58,431**	**1.09**	**2,57,431**	**1,000**	**2,58,431**	**1.09**	**NIL**
		2. Non Institutions									
		a. Bodies Corporate									
		i. Indian	1,06,191	13,100	1,19,291	0.51	2,04,663	13,100	2,17,763	0.92	0.41
		ii. Overseas	00	00	00	00	00	00	00	00	NIL
		b. Individuals									

		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	
		i. Individual Shareholders holding Nominal Share Capital upto Rs. 1 Lakh	8,09,772	2,37,212	10,46,984	4.44	11,40,894	2,32,212	13,73,106	5.82	1.38
		ii. Individual Shareholders holding Nominal Share Capital in excess of Rs. 1 Lakh	28,940	0	28,940	0.12	1,68,852	0	1,68,852	0.72	0.60
		Others (Specify)									
		c (i) Clearing Member	7,597	75,600	83,197	0.35	6,914	75,000	81,914	0.34	(0.01)
		c (ii) Non Resident Indians (Repat)	3,747	0	3,747	0.02	22,809	0	22,809	0.10	0.08
		c (iii) Non Resident Indians (Non Repat)	52,259	0	52,259	0.22	55,743	0	55,743	0.24	0.02
		c (iv) Foreign Companies	76,28,149	1,100	76,29,249	32.35	70,42,380	1,100	70,43,480	29.87	2.48
		Sub – Total (B) (2):	**86,36,655**	**3,27,012**	**89,63,667**	**38.01**	**86,42,255**	**3,21,412**	**89,63,667**	**38.01**	**0.00**
		Total Public Shareholding (B)=(B)(1)+(B)(2)	**88,94,086**	**3,28,012**	**92,22,098**	**39.10**	**88,99,686**	**3,22,412**	**92,22,098**	**39.10**	**0.01**
		C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
		Grand Total (A+B+C)	**2,32,56,046**	**3,28,012**	**2,35,84,058**	**100**	**2,32,61,646**	**3,22,412**	**2,35,84,058**	**100.00**	

(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	15	90.96	35,35,545	15	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	100.00	15,00,000	6.36	100.00	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	100.00	8,39,272	3.56	100.00	NIL
6	Venkatesh Hotels Pvt. Ltd.	7,57,000	3.21	100.00	7,57,000	3.21	100.00	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	100.00	2,76,439	1.17	100.00	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	100.00	1,82,445	0.77	100.00	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	100.00	4,900	0.02	100.00	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	100.00	80,877	0.34	100.00	NIL
18	Vishal V. Kamat	15,627	0.07	98.03	15,627	0.07	98.03	NIL
19	Vikram V. Kamat	500	0.00	100.00	500	0.00	100.00	NIL
20	Vidita V. Kamat	500	0.00	100.00	500	0.00	100.00	NIL
	Total	**1,43,61,960**	**60.90**		**1,43,61,960**	**60.90**	**-**	

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

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

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

S r . 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. 1st April, 2015	76,28,149	32.345	76,28,149	32.34
	Date of change during the year				
	05 Jun 2015(Sale)	500	0.00	76,27,649	32.34
	12 Jun 2015(Sale)	500	0.00	76,27,149	32.34
	19 Jun 2015(Sale)	500	0.00	76,26,649	32.33
	26 Jun 2015(Sale)	2,400	0.00	76,24,249	32.32
	30 Jun 2015(Sale)	200	0.00	76,24,049	32.32
	03 Jul 2015(Sale)	100	0.00	76,23,949	32.32
	10 Jul 2015(Sale)	7,400	0.00	76,16,549	32.29
	17 Jul 2015(Sale)	500	0.00	76,16,049	32.29
	24 Jul 2015(Sale)	500	0.00	76,15,549	32.29
	31 Jul 2015(Sale)	500	0.00	76,15,049	32.28
	07 Aug 2015(Sale)	500	0.00	76,14,549	32.28
	14 Aug 2015(Sale)	500	0.00	76,14,049	32.28
	21 Aug 2015(Sale)	400	0.00	76,13,649	32.28
	28 Aug 2015(Sale)	200	0.00	76,13,449	32.28
	04 Sep 2015(Sale)	300	0.00	76,13,149	32.28
	11 Sep 2015(Sale)	10,200	0.00	76,02,949	32.23
	18 Sep 2015(Sale)	5,400	0.00	75,97,549	32.21
	25 Sep 2015(Sale)	400	0.00	75,97,149	32.21
	30 Sep 2015(Sale)	300	0.00	7,59,6849	32.21
	09 Oct 2015(Sale)	600	0.00	75,96,249	32.20
	16 Oct 2015(Sale)	500	0.00	75,95,749	32.20
	23 Oct 2015(Sale)	400	0.00	75,95,349	32.20
	30 Oct 2015(Sale)	500	0.00	75,94,849	32.20
	06 Nov 2015(Sale)	500	0.00	75,94,349	32.20
	13 Nov 2015(Sale)	300	0.00	75,94,049	32.19
	20 Nov 2015(Sale)	210	0.00	75,93,839	32.19
	27 Nov 2015(Sale)	200	0.00	75,93,639	32.19
	04 Dec 2015(Sale)	1,10,572	0.46	74,83,067	31.72
	11 Dec 2015(Sale)	1,63,000	0.69	73,20,067	31.03
	18 Dec 2015(Sale)	15,654	0.06	73,04,413	30.97
	25 Dec 2015(Sale)	5,163	0.02	72,99,250	30.94
	31 Dec 2015(Sale)	17,565	0.07	72,81,685	30.87
	01 Jan 2016(Sale)	5,000	0.02	72,76,685	30.85

S r . 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
	08 Jan 2016(Sale)	1,76,339	0.74	71,00,346	30.10
	15 Jan 2016(Sale)	37,000	0.15	70,63,346	29.94
	29 Jan 2016(Sale)	10,000	0.04	70,53,346	29.90
	11 Mar 2016(Sale)	7,471	0.03	70,45,875	29.87
	18 Mar 2016(Sale)	212	0.00	70,45,663	29.87
	31 Mar 2016(Sale)	3,283	0.01	70,42,380	29.86
	AT THE END OF THE YEAR			70,42,380	29.86
2	CLEARWATER CAPITAL PARTNERS SINGAPORE FUND III PRIVATE LIMITED				
	At the beginning of the year i.e. 1st April, 2015	2,57,431	1.09	2,57,431	1.09
	Date of change during the year	NIL	NIL	NIL	NIL
	AT THE END OF THE YEAR			2,57,431	1.09
3	RAVIRAJ DEVELOPERS LTD				
	At the beginning of the year i.e. 1st April, 2015	28,131	0.11	28,131	0.11
	Date of change during the year				
	17 Jul 2015 (Purchase)	1,902	0.00	30,033	0.12
	14 Aug 2015 (Purchase)	1101	0.00	31,134	0.13
	18 Sep 2015 (Purchase)	1,000	0.00	32,134	0.13
	25 Dec 2015 (Purchase)	24,538	0.10	56,672	0.24
	31 Dec 2015 (Sale)	5,000	0.02	51,672	0.21
	08 Jan 2016 (Sale)	1,931	0.00	49,741	0.21
	AT THE END OF THE YEAR			49,741	0.21
4	ATRUN FISCAL PVT LTD				
	At the beginning of the year i.e. 1st April, 2015	3,466	0.01	3,466	0.01
	Date of change during the year				
	10 Jul 2015 (Purchase)	14,916	0.06	18,382	0.07
	14 Aug 2015 (Purchase)	1,631	0.00	20,013	0.08
	11 Dec 2015 (Purchase)	5,000	0.02	25,013	0.10
	31 Dec 2015 (Purchase)	11,876	0.05	36,889	0.15
	AT THE END OF THE YEAR			36,889	0.15
5	KAMAL KUMAR GOYAL				
	At the beginning of the year i.e. 1st April, 2015	9,420	0.03	9,420	0.03
	Date of change during the year				
	03 Apr 2015 (Sale)	312	0.00	9,108	0.03
	08 May 2015 (Purchase)	229	0.00	9,337	0.03
	29 May 2015(Purchase)	100	0.00	9,437	0.04
	05 Jun 2015(Purchase)	312	0.00	9,749	0.04
	12 Jun 2015(Purchase)	312	0.00	10,061	0.04
	19 Jun 2015(Sale)	307	0.00	9,754	0.04
	26 Jun 2015(Purchase)	512	0.00	10,266	0.04
	17 Jul 2015(Purchase)	25	0.00	10,291	0.04
	24 Jul 2015(Purchase)	1,150	0.00	11,441	0.04
	31 Jul 2015(Purchase)	555	0.00	11,996	0.05
	14 Aug 2015(Purchase)	18	0.00	12,014	0.05
	25 Sep 2015(Purchase)	11,390	0.04	23,404	0.09
	30 Sep 2015(Sale)	11,702	0.04	11,702	0.04
	09 Oct 2015(Purchase)	312	0.00	12,014	0.05
	06 Nov 2015(Purchase)	4,311	0.01	16,325	0.06
	13 Nov 2015(Purchase)	212	0.00	16,537	0.07
	20 Nov 2015(Purchase)	1,567	0.00	18,104	0.07

S r . 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
	27 Nov 2015(Purchase)	110	0.00	18,214	0.07
	25 Dec 2015(Purchase)	1,092	0.00	19,306	0.08
	15 Jan 2016(Purchase)	3,000	0.01	22,306	0.09
	05 Feb 2016(Purchase)	500	0.00	22,806	0.09
	31 Mar 2016(Purchase)	100	0.00	22,906	0.09
	AT THE END OF THE YEAR			22,594	0.09
6	PAWAN AGGARWAL				
	At the beginning of the year i.e. 1st April, 2015	0	0.00	0	0.00
	Date of change during the year				
	11 Sep 2015(Purchase)	2,323	0.00	2,323	0.00
	25 Sep 2015(Purchase)	2,323	0.00	4,646	0.01
	30 Sep 2015(Sale)	2,323	0.00	2,323	0.00
	11 Dec 2015(Sale)	323	0.00	2,000	0.00
	04 Mar 2016(Purchase)	18,422	0.07	20,422	0.08
	AT THE END OF THE YEAR			20,422	0.08
7	ARUN KUMAR SANCHETI				
	At the beginning of the year i.e. 1st April, 2015	2,967	0.01	2,967	0.01
	Date of change during the year				
	05 Jun 2015(Purchase)	43	0.00	3,010	0.012
	10 Jul 2015(Purchase)	7,091	0.03	10,101	0.042
	25 Sep 2015(Purchase)	12,175	0.05	22,276	0.094
	30 Sep 2015(Sale)	11,138	0.04	11,138	0.047
	23 Oct 2015(Purchase)	100	0.00	11,238	0.047
	18 Dec 2015(Purchase)	4,602	0.01	15,840	0.067
	15 Jan 2016(Purchase)	2,619	0.01	18,459	0.078
	22 Jan 2016(Purchase)	1,252	0.00	19,711	0.083
	AT THE END OF THE YEAR			19,711	0.083
8	PHILLIPCAPITAL (INDIA) PRIVATE LIMITED				
	At the beginning of the year i.e. 1st April, 2015	17,735	0.07	17,735	0.07
	Date of change during the year	NIL	NIL	NIL	NIL
	AT THE END OF THE YEAR			17,735	0.0752
9	ANURADHA V SUBRAMANIAN				
	At the beginning of the year i.e. 1st April, 2015	17,340	0.07	17,340	0.07
	Date of change during the year				
	25 Sep 2015(Purchase)	17,340	0.07	34,680	0.14
	30 Sep 2015 (Sale)	17,340	0.07	17,340	0.07
	AT THE END OF THE YEAR			17,340	0.07
10	ANGEL BROKING PRIVATE LIMITED				
	At the beginning of the year i.e. 1st April, 2015	804	0.00	804	0.00
	Date of change during the year				
	10 Apr 2015 (Sale)	58	0.00	746	0.00
	17 Apr 2015(Sale)	42	0.00	704	0.00
	01 May 2015(Sale)	60	0.00	644	0.00
	15 May 2015(Purchase)	175	0.00	819	0.00
	29 May 2015(Purchase)	50	0.00	869	0.00
	05 Jun 2015(Sale)	50	0.00	819	0.00
	12 Jun 2015(Sale)	375	0.00	444	0.00
	19 Jun 2015(Purchase)	1	0.00	445	0.00
	26 Jun 2015(Purchase)	109	0.00	554	0.00
	30 Jun 2015(Purchase)	193	0.00	747	0.00

S r . 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
	10 Jul 2015 (Sale)	300	0.00	447	0.00
	07 Aug 2015(Purchase)	15	0.00	462	0.00
	14 Aug 2015(Purchase)	461	0.00	923	0.00
	18 Sep 2015(Purchase)	451	0.00	1,374	0.00
	25 Sep 2015(Purchase)	950	0.00	2,324	0.00
	30 Sep 2015(Sale)	30	0.00	2,294	0.00
	09 Oct 2015(Purchase)	737	0.00	3,031	0.01
	16 Oct 2015(Sale)	471	0.00	2,560	0.01
	23 Oct 2015(Sale)	417	0.00	2,143	0.00
	06 Nov 2015(Sale)	1,600	0.00	543	0.00
	20 Nov 2015(Sale)	99	0.00	444	0.00
	04 Dec 2015(Purchase)	650	0.00	1,094	0.00
	11 Dec 2015(Purchase)	10,058	0.04	11,152	0.04
	18 Dec 2015(Sale)	2,790	0.01	8,362	0.03
	25 Dec 2015(Purchase)	147	0.00	8,509	0.03
	31 Dec 2015(Sale)	2,883	0.01	5,626	0.02
	08 Jan 2016(Purchase)	10,394	0.04	16,020	0.06
	15 Jan 2016(Purchase)	3,626	0.01	19,646	0.08
	22 Jan 2016(Sale)	762	0.00	18,884	0.08
	29 Jan 2016(Sale)	1,067	0.00	17,817	0.07
	05 Feb 2016 (Purchase)	1,394	0.00	19,211	0.08
	12 Feb 2016(Purchase)	810	0.00	20,021	0.08
	19 Feb 2016(Sale)	279	0.00	19,742	0.08
	26 Feb 2016(Sale)	704	0.00	19,038	0.08
	04 Mar 2016(Sale)	179	0.00	18,859	0.08
	11 Mar 2016(Purchase)	370	0.00	19,229	0.08
	18 Mar 2016(Sale)	418	0.00	18,811	0.07
	25 Mar 2016(Sale)	1,800	0.00	17,011	0.07
	31 Mar 2016(Sale)	1,701	0.00	15,310	0.06
	AT THE END OF THE YEAR			15,310	0.06

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP at the beginning of the year	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Dr. Vithal V. Kamat	32,54,990	13.80	32,55,490	13.80
2.	Mr. Vikram V. Kamat*	500	0.002	500	0.002
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): **at the end of the year**	N.A.	N.A.		
1	Dr. Vithal V. Kamat	32,54,990	13.80	32,55,490	13.80
2	Mr. Vikram V. Kamat*	500	0.002	500	0.002

* Resigned from the office of Director of the Company w.e.f 15th June, 2016.

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 upto 13th February, 2016) held shares in the Company during the financial year ended 2015-2016.

V. INDEBTEDNESS

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

(Rs. in lakhs)

	Secured Loans	Unsecured Loans	Deposits	Total
Indebtednes at the beginning at the beginning of the financial year				
i) Principal Amount	47,487.70	2,346.68	-	49,834.37
ii) Interest Due but not paid	4,035.94	3.59	-	4,039.53
iii)Interest Accrued but not due	-	112.61	-	112.61
Change in Indebtedness during the financial year				
Addition (Principal)	-	98.94	-	98.94
Addition (Interest)	2,808.38	-	-	2,808.38
Reduction (Principal)	1,922.25	257.40	-	2,179.65
Reduction (Interest)	181.88	3.59	-	185.47
Reduction (Interest Accrued not due)	-	5.01	-	5.01
Indebtednes at the end of the financial year				
Principal Amount	46,975.48	2,188.22	-	49,163.70
Interest Due but not paid	5,252.41	-	-	5,252.41
Interest Accrued but not due	-	107.60	-	107.60

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.		Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount in Rs.
			Dr. Vithal V. Kamat (Chairman cum Managing Director)	---	---	--	
1.		Gross salary					
	(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	96,00,000				96,00,000
	(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	44,401				44,401
	(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL	NIL	NIL	NIL
2.		Stock Option	NIL	NIL	NIL	NIL	NIL
3.		Sweat Equity	NIL	NIL	NIL	NIL	NIL
4.		Commission - as % of Profit - other, specify	NIL	NIL	NIL	NIL	NIL
5.		Others, please specify	NIL	NIL	NIL	NIL	NIL
		Total (A)	96,44,401				96,44,401
		Ceiling as per Act*	N.A*	NA			

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

B. Remuneration to other directors:

Sr No	Particulars of Remuneration	Name of the Directors		Total Amount
		Mr. D.D. Jadhav	Ms. Himali H. Mehta	
3.	Independent Directors ♦ Fee for attending Board Committee Meetings	1,00,000	1,00,000	2,00,000
	♦ Commission	NIL	NIL	NIL
	♦ Others, Please specify i. Fee for attending Audit Committee Meetings	NIL	NIL	NIL
	ii. Fee for Committee Meetings	NIL	NIL	NIL
	iii. Fee for Stakeholders Relationship Committee Meeting	NIL	NIL	NIL
	Total (1)	1,00,000	1,00,000	2,00,000
4.	Other Non Executive Directors ♦ Fee for attending Board Committee Meetings ♦ Commission ♦ Others, please specify	--	--	--
	Total (2)	--		--
	Total (B) = (1+2)	1,00,000	1,00,000	2,00,000
	Total Managerial Remuneration	NIL	NIL	NIL
	Overall Ceiling as per Act (for Sitting Fees) Rs.	NIL	NIL	

Overall ceiling as per the 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	26,19,736	36,66,928	62,86,664
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,37,917	2,06,124	3,44,041
	(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	27,57,653	38,73,052	66,30,705

* Resigned as a Company Secretary w.e.f. 13th February, 2016.

** Resigned as CFO w.e.f. 13th February, 2016.

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

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

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

Place : Mumbai.
Date : 6th August, 2016

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. Bipinchandra Chunilal Kamdar*	Member (Director)
4.	Mr. Vikram V. Kamat Member (Director)**	

* inducted as a member w.e.f 6th August, 2016.
** upto 15th June, 2016

The Board has the power to reconstitute the Committee consistent with the Company's policy and applicable statutory requirement.

Definitions

- **Board** means Board of Directors of the Company.
- **Directors** means Directors of the Company.
- **Committee** means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- **Company** means Kamat Hotels (India) Limited.
- **Independent Director** means a director referred to in Section 149 (6) of the Companies Act, 2013.
- **Key Managerial Personnel** (KMP) means-
  - *(i)* Executive Chairman and / or Managing Director;
  - *(ii)* Whole-time Director;
  - *(iii)* Chief Financial Officer;
  - *(iv)* Company Secretary;
  - *(v)* Such other officer as may be prescribed under the applicable statutory provisions / regulations.
- **Senior Management** means personnel of the Company occupying the position of Chief Executive Officer (CEO) of any unit / division or Vice President including Vice President of any unit / division of the Company.

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

Applicability

The Policy is applicable to

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

General

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

PART – A

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

The Committee shall:

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

PART – B

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

- **Appointment criteria and qualifications:**
  1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
  2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
  3. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
- **Term / Tenure:**
  1. Managing Director/Whole-time Director:
     - The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
  2. Independent Director:
     - An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
     - No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1st October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.
     - At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.
- **Evaluation:**

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

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

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

PART – C

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

- **General:**

1. The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
2. The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013, and the rules made thereunder.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director. Increments will be effective from 1st October in respect of a 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

FORTM NO 3

SECRETARIAL AUDIT REPORT

For the Financial year ended 31st March 2016.

(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 2016 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 2016 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,

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

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

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

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

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

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

7) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992

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

9) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999

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

11) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009

12) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder

13) The Indian Stamp Act, 1899

2. Acts, Rules, Regulation relating to Accounts and Taxation Department:

1) Income Tax Act 1961& Rules
2) Finance Act 1994
3) Bombay Prohibition Act 1949 (for state excise)
4) Central Excise Act 1944
5) Customs Act 1962
6) Central Sales Tax Act 1956
7) Luxury Tax Act of states
8) Profession Tax Act of states
9) Maharashtra Value Added Tax Act 2002, Goa Value Added Tax Act 2005, Orissa Value Added Tax Act 2004
10) Maharashtra Tax on Luxuries Act 1987
11) Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975 and 2000
12) Maharashtra Municipal Corporation Act 1949
13) Accounting Standards as notified by the Companies (Accounting Standards) Rules 2006, Accounting Standard Interpretarins (ASI) issued by ICAI, Guidance Notes issued by ICAI, Auditing Standard
14) Indian GAAP (Generally Accepted Accounting Practices)
15) CBDT, VAT, CBEC Circulars
16) Notification from Finance Ministry, Service Tax Notifications, Rules and Circulars

3. Acts, Rules, Regulation relating to Human Resource Department:

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

4. Acts, Rules, Regulation relating to Restaurant Division:

1) Bombay Police Act 1951

2) The Water (Prevention & Control Of Pollution) Act, 1974

3) The Air (Prevention & Control Of Pollution) Act, 1981

4) The Environment (Protection) Act, 1986

5) Food Safety And Standards Act 2006

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

	Name of the Acts/rules/regulations	Details of Compliances
1)	Bombay Shops & Establishments Act 1948	
2)	The Mumbai Municipal Corporation Act 1888	♦ Section 394 for i) Restaurant, ii) Lodging, iii)Gradation ♦ Section 328 for Neon Sign ♦ Section 279 for Water supply ♦ Sections 206 etc for Property Tax ♦ Covering of Terrace in Monsoon for specific period under Development Control Rules 1991 ♦ Water Fountain permission ♦ Swimming Pool ♦ Testing of water
3)	Police Licenses	♦ Place of Public Entertainment License(PPEL) , Bombay Police Act 1951 ♦ Place of Licensing & Controlling for Amusement, Public Amusement Act(including Tamasha and Melas excluding Cinemas) 1960
4)	Rangabhumi Prayog Parinirikshak Board, Government of Maharashtra	♦ for playing music inside the premises Section 138(1) of Place of Amusement and Controlling Act 1960
5)	Bombay Prohibition Act 1949	♦ FL III License, Fl IV License (One day License)
6)	Maharashtra Fire Prevention and Life Safety Measures act 2006	
7)	Food Safety & Standard Authority of India (FSSAI) (Earlier Prevention of Food Adulteration Act 1954)	
8)	Standard of Weights and Measures Act 1976	♦ Stamping of Peg Measure, Weighing Machine at the Store/purchase, Packaged Items (MRP)
9)	Copy right Act, 1957	♦ Indian Performing Right Society(IPRS) for playing Live music of owners of music viz the composers, lyricists, authors and publishers of music Phonographic Performance License(PPL) for Sound Recordings of its member music labels. Novex Communication for members other than in a) & b) for sound recordings as well as owners ♦ Cable TV ♦ From all existing TV Broadcasters
10)	Bombay Entertainments Duty Act 1923	♦ For faithful compliance/deposit for showing TV channels in hotels ♦ For deposit of taxes for any type of entertainment program while serving liquor
11)	Cable Television Network (Regulation) Act 1995	
12)	Maharashtra Pollution Control Board (MPCB)	♦ Consent to Operate under Water Act 1974 & under Air Act 1981 ♦ Environmental Statement Report under Environment (Protection Act) Rules 1992
13)	The Water (Prevention & Control Of Pollution) CESS ACT, 1977	♦ Payment of cess quarterly as demanded by MPCB

	Name of the Acts/rules/regulations	Details of Compliances
14)	Bombay Electricity Duty Act 1958	♦ Payment of duty quarterly for generation of electricity by DG ♦ Faithful compliances of Electrical Installation prior to annual inspection by Electrical Inspector from Public Works Department ♦ Testing of all electrical fittings including lights inside the swimming pool
15)	The Bombay Lift Act, 1939 with Bombay Lift Rules, 1958	♦ Faithful compliances of Lifts Installation prior to annual inspection by Electrical Inspector from Public Works Department
16)	Maharashtra Land Revenue Code 1966	♦ Payment of Non Agricultural Tax every year .

The Company has received notices u/s 13(2) of the SARFAESI Act, 2002.

The Company has not paid interest on various credit facilities to Banks and Financial Institutions.

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

We further report that

The board of directors of the company is duly constituted with proper balance of executive directors, non executive directors and independent directors. The changes in composition of the board of directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

The company secretary (KMP) has resigned w.e.f. 13th February 2016 and the Company is in process of appointing new person.

Due to failure of the CDR Mechanism in earlier year on account and due to the financial stringencies the Company could not repay the loan and interest dues to its lenders, including to those lenders who did not participate in CDR package. 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. IL & FS Financial Services Ltd filed suit for recovery of the entire dues during the financial year, which is pending before the Bombay High Court and the Company has disputed the claim. In terms of interim orders passed by the High Court the Company has been depositing proceeds of its credit card collections with the Prothonotary & Senior Master of the High Court. Final adjustment will be made on disposal of the legal case. The Company has made provision for interest on this loan as per loan agreement and final adjustment will be made on disposal of the application in due course of time.

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.

V V CHAKRADEO
COP 1705. FCS 3382

Place : Mumbai
Date : 28th May, 2016

ANNEXTURE A TO SECRETARIAL AUDIT REPORT

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

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

1. Maintenance of secretarial record is responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about correctness of the contents of the secretarial record. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. I believe that the practices and processes, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I obtained management representation about the compliance of laws, rules, regulations, norms and standards and happening of events.
5. The compliance of the provisions of the Corporate and other laws, rules, regulations, norms and standards is the responsibility of the management. My examination was limited to the verification of procedure on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
7. I have reported in my audit report, only those non compliances, especially in respect of filing of applicable forms/ documents, which in my opinion are material and having major bearing on the financials of the Company.

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FOR V V CHAKRADEO & CO.

V V CHAKRADEO
COP 1705. FCS 3382

Place : Mumbai
Date : 28th May, 2016

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 2016.

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

Name	Designation	Qualifications	Remuneration (₹)	Experi-ence Years	Age Years	Date of Commence-ment of employment	Particulars of last employment
Dr. Vithal V. Kamat	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	43	64	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.

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 its 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.	<table><tr><th></th><th>Remuneration to Dr. Vithal V. Kamat</th><th>median remuneration of the employees</th></tr><tr><td>Amount (in Rs.)</td><td>96,00,000</td><td>1,48,416</td></tr><tr><td>Ratio</td><td>64.68</td><td>1</td></tr></table> * 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 13.86% – (Resigned on 13th February, 2016) Company Secretary 11.71% – (Resigned on 13th February, 2016)
(iii)	Percentage increase in the median remuneration of employees in the financial year	8.80%
(iv)	Number of permanent employees on the rolls of company.	994 employees were recorded on the rolls of the Company as on 31st March, 2016.
(v)	Explanation on the relationship between average increase in remuneration and company performance	<table><tr><th>Increase in turnover (%)</th><th>Increase in Net Profit(%)</th><th>Average increase in in remuneration (%)</th></tr><tr><td>13.16</td><td>(44.16)</td><td>9.75</td></tr></table>
(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. Amount in Rs. <table><tr><th>Increase in turnover (%)</th><th>Increase in Net Profit (%)</th><th>Increase in remuneration of KMP</th></tr><tr><td>13.16</td><td>(44.16)</td><td>NIL</td></tr><tr><td></td><td></td><td>CFO- 13.86%</td></tr><tr><td></td><td></td><td>CS- 11.71%</td></tr></table>
(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. 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.	<table><tr><th>Particulars</th><th>As on 31.03.2016</th><th>As on 31.03.2015</th><th>Variation</th></tr><tr><td>Market capitalisation</td><td>82,54,42,030 (BSE) 82,66,21,233 (NSE)</td><td>162,61,20,799 (BSE) 146,22,11,596 (NSE)</td><td>(80,06,78,769) (63,55,90,363)</td></tr><tr><td>Price earnings ratio</td><td>Negative*</td><td>Negative*</td><td></td></tr></table> * The Company incurred loss in 2014-15 and 2015-16 <table><tr><th>Particulars</th><th>Value</th></tr><tr><td>Market quotation as on 31/03/2016 BSE NSE</td><td> Rs. 35.00 Rs. 35.05</td></tr><tr><td>i) Rate at which equity shares were offered to public at Initial Public offer</td><td>Rs. 60.00</td></tr><tr><td>Percentage ~~increase~~ / decrease in comparison to i) BSE NSE</td><td> (41.67) (41.58)</td></tr></table>

<table>
<tr><td>(viii)</td><td>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.</td><td>The salaries of the employees other than managerial personnel were increased by 9.60%.

There was no increase in the managerial remuneration of directors.

Hence no comparison or justification is provided.</td></tr>
<tr><td>(ix)</td><td>Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company.</td><td>(Rs. In Lakhs, rounded off)
<table>
<tr><th>Sr. No.</th><th>Name of the KMP</th><th>Remuneration for 2015-16
(Amount in Rs.)</th><th>Remuneration for 2014-15
(Amount in Rs.)</th></tr>
<tr><td>1</td><td>Dr. Vithal V. Kamat
Executive Chairman & Managing Director</td><td>96.00*</td><td>96.00*</td></tr>
<tr><td>2</td><td>Mr. Kurian Chandy**
Chief Financial Officer</td><td>36.67</td><td>29.00</td></tr>
<tr><td>3</td><td>Mr. Mahesh Kandoi**
Company Secretary</td><td>27.57</td><td>26.00</td></tr>
</table>
*PF and Medical Expenses excluded
**Resigned from their respective post w.e.f. 13th February, 2016
Performance of the Company:
Rs. In lakhs
<table>
<tr><th>Parameters</th><th>2015-16</th><th>2014-15</th></tr>
<tr><td>Turnover</td><td>15,085.68</td><td>13,331.53</td></tr>
<tr><td>Net Profit</td><td>(8,528.27)</td><td>(5,915.69)</td></tr>
</table></td></tr>
<tr><td>(x)</td><td>Key parameters for any variable component of remuneration availed by the directors.</td><td>There are no variable components in remuneration to the Directors.</td></tr>
<tr><td>(xi)</td><td>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.</td><td>N.A</td></tr>
<tr><td>(xii)</td><td>Affirmation that the remuneration is as per the remuneration policy of the company.</td><td>Yes</td></tr>
</table>

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

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

Place : Mumbai.
Date : 6th August, 2016

Annexure 'E' to the Board's Report

ANNUAL REPORT ON CSR ACTIVITIES

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

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

   The CSR policy can be accessed on the website of the Company www.khil.com and the weblink is http://www.khil.com/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. Bipinchandra Chunilal Kamdar (w.e.f. 6th August, 2016)
   3. Ms. Himali H. Mehta
   4. Mr. Vikram V. Kamat (upto 15th June, 2016)

3. **Average net profit for the last three financial years-** Loss of Rs. (12,568.22)

4. **The prescribed expenditure on CSR- N.A**

5. **Details of CSR spent during the financial year:**

   Amount required to be spent for FY 2015-16: N.A

   Amount unspent, if any: N.A

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

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

(Rs.)

(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:	Cumul-ative expenditure upto to the reporting period.	Amount spent: Direct or through implementing agency
1.	World Environment Week Celebrations	Environment sustainability and ecological balance	Maharashtra	15,000	8,000	8,000	Direct
2.	Nirmalya Composting Initiative-(Post Ganesh Festival)	Environment sustainability and ecological balance	Juhu Vileparle (East)	10,000	3,000	3,000	Direct
3.	Silent rally (Prior to Diwali)	Environment sustainability and ecological balance	The Orchid Vileparle	10,000	9,000	9,000	Direct
4.	Earth Hour 2015	Environment sustainability and ecological balance	The Orchid Vileparle	1,000	NIL	NIL	Direct
5.	World Environment Day 2015 at Phoenix Market City Mall	Environment sustainability and ecological balance	Mumbai, Maharashtra	5,000	2,500	2,500	Direct
6.	Electronic Waste Recycling Awareness Session	Environment sustainability and ecological balance	The Orchid Vileparle	2,00,000	1,63,530	1,63,530	Direct
7.	World Earth Day	Environment sustainability and ecological balance	The Orchid Vileparle	2,000	1,000	1,000	Direct

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity identified.	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-Heads: (1)Direct expenditure on projects or programs. (2)Overheads:	Cumul-ative expenditure upto to the reporting period.	Amount spent: Direct or through implementing agency
8.	Beautification of Mumbai with 17 gardens	Environment sustainability and ecological balance	Mumbai, Maharashtra	4,00,000	3,60,000	3,60,000	Direct
9.	Sparrow Conservation	Animal welfare	Mumbai, Maharashtra	5,000	2,000	2,000	Direct
10.	Employee Environment Awareness	Environment sustainability and ecological balance	Mumbai, Maharashtra	5,000	3,000	3,000	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.

Date : 6th August, 2016
Place : Mumbai

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 Economy

India's economic growth is amongst the highest in the world, helped by a reorientation of government spending toward needed public infrastructure. The International Monetary Fund (IMF) has projected India's growth for this year (2016-17) at 7.5 per cent, largely driven by private consumption even as weak exports and sluggish credit growth weigh on the economy. According to IMF India's growth momentum is expected to be underpinned by private consumption, which has benefited from lower energy prices and higher real incomes.

In the long term, the demand-supply gap in India is very real and that there is a need for more hotels in most cities. The shortage is especially true within the budget and the mid-market segment. Various domestic and international brands have made significant inroads into this space and more are expected to follow as the potential for this segment of hotels becomes more obvious.

With a rise in online competition, popular models have come up with online travel agents (OTAs) offering a single marketplace for all travel-related needs. There are also seen meta search engines like Trip Advisor and Kayak, that operate like travel discovery platforms. Further, online accommodation reservation services like Oyo Rooms, Stayzilla are gaining popularity. Apart from this, branded hotels are seen operating direct bookings through their websites. India, after China, is considered as one of the most lucrative hotel markets in the world and has the second largest construction pipeline in Asia. Growing affluence, potential for economic growth, increases in disposable incomes and the burgeoning middle class are expected to drive both leisure and business travel in the coming years.

GOVERNMENT INITIATIVES:

The Union Cabinet has approved the signing of Memorandum of Understanding between the Ministry of Tourism of India and the Ministry of Trade Industry and Tourism of Colombia in order to boost cooperation in the field of tourism between the two countries. The Central Government has given its approval for signing of a Memorandum of Understanding between India and Cambodia for cooperation in the field of tourism with a view to promote bilateral tourism between the two countries.

Ministry of Tourism has sanctioned Rs 844.96 crore to States and Union Territories for developing tourism destinations and circuits during the last year, which includes projects relating to Product/Infrastructure Development for Destinations and Circuits (PIDDC), Human Resource Development (HRD), Fairs and Festivals & Rural Tourism.The Heritage City Development and Augmentation Yojana (HRIDAY) action plans for eight missions cities including Varanasi, Mathura, Ajmer, Dwaraka, Badami, Vellankini, Warangal and Amaravati have been approved by HRIDAY National Empowered Committee for a total cost of Rs 431 crore. Government of India plans to cover 150 countries under e-visa scheme by the end of the year besides opening an airport in the NCR region in order to ease the pressure on Delhi airport. Under 'Project Mausam' the Government of India has proposed to establish cross cultural linkages and to revive historic maritime cultural and economic ties with 39 Indian Ocean countries. Hotels are an important component of the tourism sector. They contribute in the overall tourism experience through the standards of facilities and services offered by them. The constant transformation has made the Indian hotel industry more functional and practical and has gained a level of acceptance world over. The standards of facilities and services offered have evolved over the last decade towards the extensive use of technology, environment friendly services, pricing, market segmentation, regional preferences, etc. The Indian hotel industry has seen a significant growth in room inventory across categories from upscale luxury to limited services and boutique & budget hotels. The occupancy has seen continued gains both from the domestic and the international traveler in both the business and leisure segment. However, because of increase in inventory as well as current economic position, there is pressure on room rates. With the continued growth in India's GDP, improvement in the per capita income and increased inspirational spending, the Indian hospitality sector is expected to grow much faster than most countries around the world.

OPPORTUNITIES, THREATS, RISKS AND CONCERNS

India's size and massive natural, geographic, cultural and artistic diversity offers enormous opportunities for the travel and tourism industry. The promotion and aggressive marketing measures undertaken by the government is expected to aid influx of tourists. The industry would also benefit from introduction of new forms of tourism and development of niche segments. Medical tourism in India has gained considerable popularity in recent years. India has a major cost advantage in this field compared with other countries. In addition to cost advantages, Indian healthcare industry offers state-of-threat equipment, technological advancement, qualified and experienced medical personnel and a blend of modern and traditional medicines. Thus, medical tourism has immense potential in India. Opportunities also exist in ecotourism, adventure tourism, and cruise tourism. Eco-tourism is increasing in popularity, evident in the development of eco-friendly hotels and tour packages. With increasing environment awareness and consciousness among tourists and given efforts undertaken by the government and private players, the ecotourism segment is expected to record handsome growth in the coming years.

India holds immense potential in adventure and cruise tourism. India's greatest adventure tourism assets are Himalayas and its mighty rivers. The peak period for adventure tourism is the "lean period" of cultural tourism. Development of adventure tourism can make India a round-the-year tourist destination. The cruise industry is one of the most promising industries in India. However, strong efforts need to be made to develop this industry. Other forms of tourism such as agri tourism, pilgrimage tourism, heritage tourism, and MICE tourism also hold enormous potential. Hotels form one of the most important support service that affect the arrival of tourist to a country. With the rapid growth in domestic tourism and India becoming a preferred travel destination for international tourists. Political turbulence in the area reduces tourist traffic and thus the business of the hotels. Lack of training man power is also a threat for the hotel industry. High tax structure in the industry makes the industry worse off than

its international equivalent. In India the sevice tax, luxury tax and sales tax inflate the hotel bill by over 30%. Effective tax in the South East Asian countries works out to only 4-5%.

Growth in hotel supply in recent times has outstripped demand in a number of Indian cities. Escalating land prices, increasing energy costs, depleting water levels and a scarcity of trained manpower are challenges that will need to be addressed and overcome.

The Government at the centre has to focus on infrastructure development with which the travel and tourism industry is expected to receive a major boost. Your Company's property with world class services and strong brand identity is ideally poised to take advantage of these opportunities.

REVIEW OF OPERATIONAL AND FINANCIAL PERFORMANCE

The Company has achieved an aggregate turnover of Rs.1,5816.20 lakhs for the financial year ended on 31st March, 2016 as against the turnover of Rs. 13,930.63 lakhs for the previous financial year. The loss after taxes for the year under review was Rs.8,528.27 lakhs as against loss after taxes of Rs. 5,915.69 lakhs for the previous year. The Average Room Rate, during the year under review, was at Rs. 5,553/- at The Orchid, Mumbai as compared to Rs. 5,355/- in the previous year and at Rs. 3,518/- at VITS, Mumbai as compared to Rs. 3,284/- 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 994 employees as on 31st March, 2016. 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, 2016. 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 Board 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	Executive Chairman & Managing Director (Promoter)	5	-	-	3	Yes
Mr. Vikram V. Kamat#	Non Executive Director (Promoter)	5	-	2	3	Yes
Mr. Dinkar D. Jadhav	Independent Non-Executive Director	-	1	1	4	Yes
Ms. Himali H. Mehta	Independent Non-Executive Director	-	-	-	4	Yes
Mr. Bipinchandra Chunilal Kamdar *	Non Executive Director	-	-	-	-	NA

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

* Appointed as Additional Director w.e.f 6th August, 2016

During the financial year 2015-2016, four Board meetings were held on 30th May, 2015, 8th August, 2015, 7th November, 2015 and 6th February, 2016. 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.

The Company is in compliance with the Corporate Governance Provisions, as contained under the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and wherever the required information are placed before 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%20 Programmes.pdf>

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 networth 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 Regulations applicable on the Company.

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. Bipin Chandra Chunilal Kamdar, 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 is a M.E. Environmental Engineer and B. E. Civil Engineer with varied and rich professional experience in different field including environment. She was principal scientist and in charge head (Bio-conversion Technology Division) at Sardar Patel Renewable Energy Research Institute (SPRERI), Gujarat during June 2007 to March 2012. Prior to June, 2007, she had also worked as Programme Officer with Vikram Sarabhai Centre for Development Interaction (VIKSAT), Ahmedabad and as Lecturer, S. V. Regional College of Engineering and Technology, Surat. She has published several research papers on subjects related to her profession. Her rich heritage of experience would enhance the working of the Audit Committee. Mr. Bipinchandra Chinilal Kamdar is a science graduate with over 30 years of experience in Hospitality Business.

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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR). 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 30th May, 2015, 8th August, 2015, 7th November, 2015 and 6th February, 2016. 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. Dinkar D. Jadhav	Chairman	4
2	Mr. Vikram V. Kamat*	Member	3
3	Ms. Himali H. Mehta	Member	4
4	Mr. Bipinchandra Chunilal Kamdar**	Member	NIL

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

**Mr. Bipinchandra Chunilal Kamdar was appointed as additional Director w.e.f 6th August, 2016

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

invitation. The Company Secretary was the a 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, Presently the Committee comprises of Mr. Dinkar D. Jadhav, Ms. Himali H. Mehta and Mr. Bipinchandra Chunilal Kamdar. 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 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) 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.

A meeting of the Nomination and Remuneration Committee was held on 30th May, 2015.

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. Dinkar D. Jadhav	Chairman	1
2	Mr. Vikram V. Kamat*	Member	1
3	Ms. Himali H. Mehta	Member	1
4	Mr. Bipinchandra Chunnilal Kamdar**	Member	NIL

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

** Mr. Bipinchandra Chunilal Kamdar was appointed as additional Director w.e.f 6th August, 2016

The Company Secretary was the secretary of the Committee.

Details of remuneration paid to the Executive Directors during the year 2015-16 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/-	9,94,801/-	Tenure: 1st October, 2013 to 30th September, 2016 Notice Period: Six Months Severance fees: NIL

No payment of commission to the Executive and Non-Executive Directors was made for the period from 1st April, 2015 to 31st March, 2016.

The Company do no have any Stock Option plan.

Notice period 6 months.

There is no separate provision for severance fees.

Non of the non executive Directors have any pecuniary relationship with the Company.

Performance Evaluation:

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

DETAILS OF SITTING FEES PAID TO NON EXECUTIVE DIRECTORS

Name of the Director	Amount in Rs.
Mr. Dinkar D. Jadhav	1,00,000
Ms. Himali H. Mehta	1,00,000
Total	**2,00,000**

No Bonus, stock options, or performance linked incentives were provided to any of the Directors of the Company during the period from 1st April, 2015 to 31st March, 2016.

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

Mr. Vikaram V. Kamat: 500 Shares (Resigned from the office of director w.ef. 15 June, 2016)

Mr. Bipinchandra Chunilal Kamdar: Nil shares
(Indected as an additional director on the Board of the Company w.e.f. 6th August, 2016)

STAKEHOLDERS RELATIONSHIP COMMITTEE

A meeting of the Stakeholders Relationship Committee was held on 30th May, 2015, during the financial year 2015-2016.

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
3.	Mr. Bipinchandra Chunilal Kamdar**	Member	NIL

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

** Mr. Bipinchandra Chunilal Kamdar was appointed as additional director of the Company w.e.f 6th August, 2016.

The Company Secretary was 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, during the year under review the Company received 6 shareholders' complaints, which were promptly responded and resolved to the satisfaction of the concerned shareholders. As on 31st March, 2016 there were no pending shareholders' complaints with the Company.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

The meeting of the Corporate Social Responsibility Committee was held on 30th May, 2016, during the financial year 2015-2016.

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

Sr. No.	Name of the Member	Category	Meeting Attended
1.	Mr. Dinkar D. Jadhav, Non Executive Independent Director	Chairman (w.e.f. 9th August, 2014)	1
2.	Mr. Vikram V. Kamat*, Director	Member	1
3.	Ms. Himali H. Mehta Non Executive Independent Director	Member	1
4.	Mr. Bipinchandra Chunilal Kamdar**	Member	NIL

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

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

The Company Secretary, Mr. Mahesh Kandoi was the secretary of the Committee. (Resigned w.e.f. 13th February, 2016)

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

Particulars	FY-2012-2013 AGM	FY-2013-2014 AGM	FY-2014-2015 AGM
Date	21st September, 2013	10th September, 2014	12th September, 2015
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	3.30 p.m.	3.00 p.m.	3.30 p.m.

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. No Special Resolution was passed at the Annual General Meeting held on 12th September, 2015

POSTAL BALLOT

During the year under review, the Company has sought approval from the shareholders by way of Postal Ballot pursuant to Section 110 of the Companies Act, 2013 twice. Details relating to resolutions passed, procedure for Postal Ballot, Scrutinizer's Report are placed on the website of the Company; www.khil.com

Further as on date this report, no Special Resolution is proposed to be through 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. It is pertinent to mention that as per the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Orchid Hotels Pune Private Limited has ceased to be material subsidiary of the Company. However, Mr. Dinkar Jadhav, Independent Director of the Company continues to be Director on the Board of Directors of Orchid Hotels Pune Private Limited. The Audit Committee reviews the financial statements of the subsidiary Companies. The minutes of the Board meetings of all the subsidiary companies are periodically placed before the meetings of the Board of Directors of the Company. All significant transactions and arrangements by the unlisted subsidiaries of the Company are brought to the attention of the Board of the Company. The company has formulated a policy for determining 'material' subsidiaries of the Company and the policy is disclosed on the website of the Company and its weblink is http://www.khil.com/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 with Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR).

Related Party Transactions:

During the year under review, the Company has not entered into any new transactions of material nature with any of its related parties that may have potential conflict with the interest of the Company. The company has formulated a policy for Related Party Transactions of the Company and the policy is disclosed on the website of the Company and its weblink is http://www.khil.com/hospitality-management/POLICY%20ON%20RELATED%20PARTY%20TRANSACTION%20AND%20MATERIALITY%20OF%20RELATED%20PARTY%20TRANSACTIONS..pdf

Compliance:

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

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.

The Company is compliant with all the mandatory provisions of New Listing Regulations.

Code of Conduct:

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

Risk Management:

The 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.

Reconciliation of Share Capital Audit Report

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

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 Secretarial Department for necessary information through the following routes:

Telephone No.: 022 26164000
Fax No.: 022 26164115
Email id: cs@khil.com
Website: www.khil.com

GENERAL SHAREHOLDERS INFORMATION

1. Annual General Meeting
   Date: 24th September, 2016
   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.
2. Audited Results for the financial year 2016-17:

   Tentative Financial Calendar

Audited Annual Accounts for the year 2015 –2016	28th May, 2016 (B M)*
Unaudited 1st quarter Results (June 30, 2016)	6th August, 2016
Annual General Meeting	24th September, 2016
Unaudited 2nd quarter Results (September 30, 2016) (Tentative)	12th November, 2016 (B M)*
Unaudited 3rd quarter Results (December 31, 2016) (Tentative)	11th February, 2017 (B M)*

   * (B M) – Board Meeting

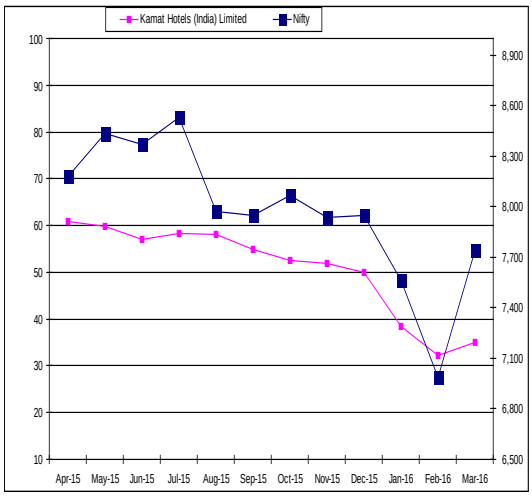
3. Dates of book closure: from Tuesday, 13th September, 2016 to Saturday, 24th September, 2016 (both days inclusive)
4. Dividend payment date for Dividend 2015-2016: -N.A.-
5. Listing of Equity Shares on Stock Exchanges and Market Price Data
   Name of the Stock Exchange(s) Stock Code/Symbol
   Bombay 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 2016-2017.

6. Stock Market Price Data

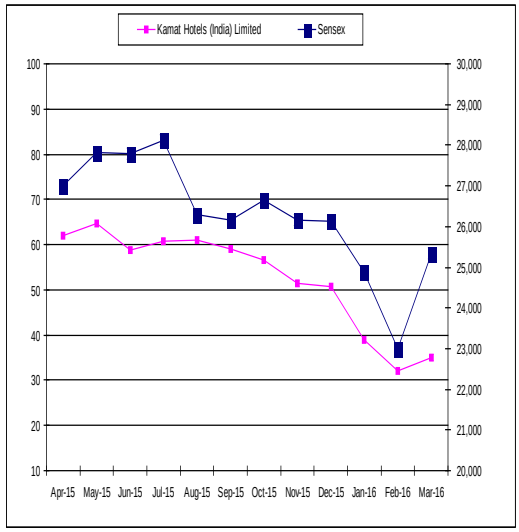
Month	Bombay Stock Exchange Limited		National Stock Exchange of India Limited	
	High (Rs)	Low (Rs)	High (Rs)	Low (Rs)
April 2015	69.85	60.70	74.40	58.00
May 2015	67.00	57.25	68.00	57.00
June 2015	67.85	50.05	62.00	52.15
July 2015	64.70	54.90	63.50	55.20
August 2015	66.95	55.25	69.00	53.40
September 2015	68.45	53.20	68.90	53.15
October 2015	59.50	52.50	58.90	51.00
November 2015	57.00	46.30	58.00	46.00
December 2015	75.00	46.50	75.50	45.00
January 2016	62.25	38.30	63.20	38.00
February 2016	43.00	30.05	40.00	30.10
March 2016	37.90	32.15	37.90	31.60

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 office of 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. Bipinchandra Chunilal Kamdar *

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

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, 2016.

Shareholding of Nominal Value Rs.		Number of Shareholders	% of Total	Nominal value Rs.	% of Total
1	5,000	6,584	91.5971	79,36,630	3.3653
5,001	10,000	311	4.3267	25,37,980	1.0761
10,001	20,000	164	2.2816	25,84,640	1.0959
20,001	30,000	42	0.5843	10,71,640	0.4544
30,001	40,000	22	0.3061	7,64,830	0.3243
40,001	50,000	7	0.0974	3,32,870	0.1411
50,001	1,00,000	25	0.3478	1768550	0.7499
	Above 1,00,001	33	0.4590	21,88,43,440	92.7930
Total		7,188	100.0000	23,58,40,580	100.0000

Category of Shareholdings as on 31st March, 2016.

Category	No. of Equity Shares	% of total paid up capital
Promoter and Promoter group	1,43,61,960	60.8969
Directors and their Relatives (other than Promoter)	-	-
Mutual Fund	1,000	0.0042
NRI/OCBs	74,38,568	31.5407
Public:		
-Corporate Bodies	2,17,763	0.9233
- Individual and Others	15,64,767	6.6349
Total	2,35,84,058	100

11. Dematerialisation of Shares

As on 31st March, 2016, 2,32,61,646 equity shares (98.63% 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: 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, 2016, as envisaged in Regulation of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR).

16. Disclosure of relationship between directors:

Mr. Vikram V. Kamat, Non-Executive Director is son of Dr. Vithal V. Kamat, Executive Chairman and Managing Director. However, Mr. Vikram V. Kamat ceased to be a Non -Executive Director w.e.f.15th June, 2016. Apart from this there is no interrelationship between Directors.

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

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

Place : Mumbai.
Date : 6th August, 2016

AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE AS STIPULATED IN REGULATION 34 (3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURES REQUIREMENTS) REGULATIONS, 2015 READ WITH SCHEDULE VI THERE-TO BY THE COMPANY FOR YEAR ENDED 31ST MARCH, 2016

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, 2016 as stipulated in erstwhile Clause 49 of The Listing Agreement and Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C,D and E of Schedulde V of the Listing Regulation of the SEBI (Listing Obligations And Disclosures Requirements) Regulations, 2015 read with Schedule VI thereto by the Company for year ended 31st March, 2016.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied in all material respects with the conditions of corporate governance as stipulated in the above-mentioned Clause and Regulations.

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

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

J.G.VERMA
Partner
Membership No. 5005

Mumbai: 6th August, 2016

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KAMAT HOTELS (INDIA) LIMITED

Report on the Financial Statements

We have audited the accompanying standalone financial statements of **KAMAT HOTELS (INDIA) LIMITED,** ("the Company") which comprise of the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its loss and its cash flows for the year on that date.

Emphasis of Matter

Attention is invited to:

1. Note 5.5 to the financial statements with regard to non-provision of interest liability of ₹ 277.27 lakhs, in respect of a lender as the same is disputed by the Company.
2. Note 38 to the financial statement with regard to default in repayment of part of the secured loans dues and failure of CDR mechanism in the previous year and its impact.
3. Note 39 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 38 to the financial statements, indicate the existence of a material uncertainty, which may cast significant doubt about the Company's ability to continue as a going concern.

Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act we give in the **Annexure – "A",** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by section 143(3) of the Act, we report that:

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

   (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

   (iii) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report, are in agreement with the books of account.

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

   (v) On the basis of written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Sub-Section (2) of Section 164 of the Act.

   (vi) Our report on adequacy of internal financial controls system over financial reporting of the Company and the operating effectiveness of such controls is given in **Annexure "B"**.

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

      (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 30 and 38 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: 28th May, 2016

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in our report of even date to the members of **Kamat Hotels (India) Limited** for the year ended 31st March, 2016. We report that:

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

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

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

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

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

   (A) Unsecured loan of ₹ 19,646.40 lakhs to Orchid Hotels Pune Private Limited (OHPPL, a wholly owned subsidiary. Due to adverse factors, which have affected the financial position of OHPPL, there were defaults in repayment of loan and interest to its lenders and accordingly, the lenders of OHPPL declared it a non-productive asset in earlier year. In view of these developments, the aforesaid loan and outstanding interest thereon have been classified by the Company as doubtful of recovery and a provision has been made in the accounts for earlier year. In our opinion, in view of the above, the terms and conditions of the above loan were prejudicial to the interest of the Company.

   (B) Unsecured loan of ₹ 827.66 lakhs to Fort Mahodadhinivas Palace Private Limited (FMPPL). In respect of this loan, in our opinion, the terms and conditions of the grant of such loan are not prejudicial to the interest of the Company.

   (b) The above loans were not due for refund during the year and accordingly our comments on the regularity of receipt of the principal amount of these loans are not given. Interest has not been charged on the OHPPL loan for the year as the same was considered doubtful of recovery as mentioned above. Interest on the FMPPL loan has been charged but not recovered.

   (c) There was no overdue amount in respect of the principal amount of the OHPPL loan given by the Company. The outstanding interest receivable on this loan was ₹ 4,198.16 lakhs, which could not be recovered hence written off as bad debt during the year. In respect of FMPPL loan, there was no overdue amount in respect of principal amount. The outstanding interest receivable on FMPPL Loan as at 31st March, 2016 was ₹ 175.25 lakhs.

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

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

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

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

(b) According to the information and explanations given to us, there is no non-deposit with appropriate authorities of disputed dues of sales-tax, service tax, customs duty, excise duty or cess except in a few cases. Details of such disputed income-tax, value added tax and luxury tax are as under:

Name of the Stature / Nature of the dues and period	Amount involved (₹ in lakhs)	Forum where dispute is pending
Income-tax on regular assessment under Income Tax Act, 1961 - Assessment year 2006-07	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)
Income-tax on regular assessment under Income Tax Act, 1961 - Assessment year 2013-14	214.74	Commissioner of Income-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)
VAT on regular assessment under Maharashtra Value Added Tax Act , 2002 – Year 2011-12	279.97 (f)	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)
VAT on regular assessment under Orissa Value Added Tax Act, 2004 – Year 2012-13 & 2013-14	2.31 (g)	Joint Commissioner Appellate Unit BBSR
VAT on regular assessment under Central Sales Tax Act, 1956 – Year 2012-13 & 2013-14	2.85 (g)	Joint Commissioner Appellate Unit BBSR

(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 ₹ 14.00 lakhs has been deposited by the company against this demand, pending disposal of appeal.

(f) The company is in the process of filing the appeal with the Joint Commissioner of Sales Tax (Appeals)

(g) A sum of ₹ 0.34 lakhs has been deposited by the company against this demand, pending disposal of appeal.

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

S.No.	Name of the lender	Amount of default – ₹ in lakhs	Period of delay	Remarks
1	Canara Bank	5,839.31	580 days	Principal
		2,058.39	1 to 732 days	Interest
2	Andhra Bank	4,934.02	608 days	Principal
		1,526.75	1 to 763 days	Interest
3	Central Bank of India	1,278.45	415 days	Principal
		409.71	1 to 671 days	Interest
4	Bank of India	1,085.67	441 days	Principal
		347.93	1 to 671 days	Interest
5	Corporation Bank	639.70	423 days	Principal
		204.85	1 to 671 days	Interest
6	Syndicate Bank	868.92	485 days	Principal
		278.41	1 to 671 days	Interest
7	IL&FS Financial Services Limited	1598.78	346 days	Principal

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

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

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

11 According to the records of the Company examined by us and the information and explanations given to us, managerial remuneration has been paid / provided by the Company in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

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

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

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

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

16 According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

J.G.VERMA
Partner
Membership No. 5005

Mumbai: 28th May, 2016

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in paragraph 2 (vi) under 'Report on Other Legal and Regulatory Requirements' in our report of even date to the members of **KAMAT HOTELS (INDIA) LIMITED** for the year ended 31st March, 2016. We report that:

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

We have audited the internal financial controls over financial reporting of Kamat Hotels (India) Limited ("the Company") as of 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

J.G.VERMA
Partner
Membership No. 5005

Mumbai: 28th May, 2016

KAMAT HOTELS (INDIA) LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2016

(₹ in Lakhs)

PARTICULARS	NOTE	AS AT 31ST MARCH, 2016		AS AT 31ST MARCH, 2015
EQUITY AND LIABILITIES:				
Shareholders' Funds:				
(a) Share Capital	3	**2,417.26**		2,417.26
(b) Reserves and Surplus	4	**(13,585.02)**		(5,056.75)
			(11,167.76)	(2,639.49)
Non-Current Liabilities:				
(a) Long-Term Borrowings	5	**28,887.36**		19,501.42
(b) Other Long-Term Liabilities	7	**1,761.88**		2,877.33
(c) Long-Term Provisions	8	**141.91**		165.89
			30,791.15	22,544.64
Current Liabilities:				
(a) Short-Term Borrowings	9	**772.43**		704.41
(b) Trade Payables	10	**2,473.83**		1,342.91
(c) Other Current Liabilities	11	**25,086.38**		33,028.53
(d) Short-Term Provisions	12	**153.98**		149.24
			28,486.62	35,225.09
	TOTAL		**48,110.01**	**55,130.24**
ASSETS:				
Non-Current Assets:				
(a) **Fixed Assets:**				
(i) Tangible Assets	13	**31,635.16**		32,788.95
(ii) Intangible Assets	13	**29.78**		31.97
(iii) Capital Work-In-Progress	13	**21.35**		-
		31,686.29		32,820.92
(b) Non-Current Investments	14	**552.08**		9,879.84
(c) Long-Term Loans and Advances	15	**1,879.34**		1,421.67
(d) Other Non-Current Assets	16	**8,158.08**		8,152.90
			42,275.79	52,275.33
Current Assets:				
(a) Current Investments	17	**4.16**		4.70
(b) Inventories	18	**461.32**		449.24
(c) Trade Receivables	19	**1,013.02**		1,160.28
(d) Cash and Bank Balances	20	**500.86**		666.07
(e) Short-Term Loans and Advances	21	**3,577.31**		426.25
(f) Other Current Assets	22	**277.55**		148.37
			5,834.22	2,854.91
	TOTAL		**48,110.01**	**55,130.24**
SIGNIFICANT ACCOUNTING POLICIES	2			
THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS	1 to 40			

As per our report of even date

For and on behalf of Board of Directors

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

J. G. Verma
Partner
Membership No. 5005

Mumbai : 28th May, 2016

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

Dinkar D. Jadhav
Director
(DIN : 01809881)

KAMAT HOTELS (INDIA) LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in Lakhs)

PARTICULARS	NOTE	YEAR ENDED 31ST MARCH, 2016		YEAR ENDED 31ST MARCH, 2015
INCOME:				
Revenue from Operations	23		**15,085.68**	13,331.53
Less: Excise Duty			**1.13**	0.24
			15,084.55	13,331.29
Other Income	24		**731.65**	599.34
Total Revenue			**15,816.20**	**13,930.63**
EXPENSES:				
Cost of Food and Beverages Consumed	25		**1,365.08**	1,263.95
Employee Benefit Expense	26		**3,617.44**	3,220.43
Other Expenses	27		**6,160.35**	6,129.77
Total Expenses			**11,142.87**	10,614.15
Profit/ (Loss) before Finance Costs, Depreciation, Exceptional Items and Tax:			**4,673.33**	**3,316.48**
Less: Finance Costs	28		**3,946.43**	7,948.21
Depreciation and Amortisation Expenses (Refer Note 37)	13		**1,280.04**	1,837.84
Profit/ (Loss) Before Exceptional Items and Tax			**(553.14)**	**(6,469.57)**
Exceptional Items	29		**(8,092.30)**	-
Profit/ (Loss) Before Tax			**(8,645.44)**	**(6,469.57)**
Tax Expense:				
Current Tax		**-**		117.18
Prior Period Adjustments - Income Tax		**(117.17)**		26.09
Deferred Tax	6	**-**		(541.19)
		(117.17)		(397.92)
Less: Excess MAT Credit Entitlement - Earlier years		**-**		155.96
			(117.17)	(553.88)
Profit/(Loss) for the year			**(8,528.27)**	**(5,915.69)**
Earning Per Equity Share of face value of ₹ 10/- each				
Basic (In ₹)	31		**(36.16)**	(25.08)
Diluted (In ₹)	31		**(36.16)**	(25.08)
SIGNIFICANT ACCOUNTING POLICIES	2			
THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS	1 to 40		.	

As per our report of even date

For and on behalf of Board of Directors

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

J. G. Verma
Partner
Membership No. 5005

Mumbai : 28th May, 2016

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

Dinkar D. Jadhav
Director
(DIN : 01809881)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in Lakhs)

	PARTICULARS	YEAR ENDED	
		31ST MARCH 2016	31ST MARCH 2015
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Profit / (Loss) for the year before tax and adjustments	**(8,645.44)**	(6,469.57)
	Adjustments for:		
	Depreciation	**1,280.04**	1,837.84
	Amortisation of Advance Time Share Membership	**(73.86)**	(73.86)
	Excess Provision of Interest of earlier years written back	**(745.82)**	-
	Excess Provision of Depreciation of earlier years written back	**(146.01)**	-
	(Profit) / Loss on Sale/ Discard of Fixed Assets / Operating Supplies	**(442.30)**	(251.02)
	Loss on Diminution of Investments	**0.53**	0.31
	Provision for Diminution of Investments in Subsidiary	**9,327.75**	-
	Liabilities and Provisions written Back (Net)	**(152.08)**	(36.35)
	Provision for Employee Benefits	**34.44**	93.15
	Provision for Wealth Tax	**-**	0.83
	Provision for Doubtful Debts, Advances and Bad Debts	**188.09**	661.40
	Dividend income	**(0.53)**	(0.50)
	Interest income	**(179.38)**	(136.19)
	Interest Expenses	**3,946.44**	7,948.21
	Operating profit before working capital changes	**4,391.87**	**3,574.25**
	Trade Receivables and Loans and Advances	**(194.16)**	(1,111.21)
	Inventories	**(12.08)**	(36.51)
	Trade Payables and Provisions	**1,116.17**	(134.27)
	Cash generated from operations	**5,301.80**	**2,292.26**
	Direct taxes (Net)	**(157.99)**	(1.58)
	Net cash generated from operating activities	**5143.81**	**2,290.68**
B.	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	Purchase of Fixed Assets	**(241.13)**	(133.86)
	Sale of Fixed Assets	**548.04**	446.46
	Margin Money with Banks	**(8.80)**	97.86
	Interest Received	**50.20**	41.28
	Dividend Received	**0.53**	0.50
	Net cash generated from / (used in) investing activities	**348.84**	**452.24**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016 (contd...)

(₹ in Lakhs)

PARTICULARS	YEAR ENDED	
	31st March 2016	31st March 2015
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from long term borrowings	-	13.00
Repayment of long term borrowings	**(2,016.65)**	(109.28)
Proceeds from short term borrowings	-	18.54
Repayment of short term borrowings	**(65.24)**	(62.86)
Deposits with Prothonotary & Senior Master, Bombay High Court (Refer Note 5.5)	**(3050.24)**	-
Share Application Money Refunded	-	(185.00)
Interest paid	**(530.47)**	(2,443.38)
Dividend paid	**(4.07)**	(3.48)
Net cash generated from / (used in) financing activities	**(5,666.67)**	**(2,772.46)**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**(174.01)**	(29.53)
CASH AND CASH EQUIVALENTS AS AT 01.04.2015 (Opening Balance)	**628.18**	657.71
CASH AND CASH EQUIVALENTS AS AT 31.03.2016 (Closing Balance)	**454.17**	**628.18**
Components of Cash and Cash Equivalents		
- Balance with Banks	**421.14**	587.59
- Cash on hand	**20.98**	37.75
- Cheques on hand	**11.71**	2.05
- Foreign Exchange in hand	**0.34**	0.79
Total Cash and Cash Equivalents (Note No. 20)	**454.17**	**628.18**
SIGNIFICANT ACCOUNTING POLICIES	Note 2	
THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS	Note 1 to 40	

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 : 28th May, 2016

For and on behalf of Board of Directors

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

Dinkar D. Jadhav
Director
(DIN : 01809881)

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016.

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. Buildings taken on lease and leasehold improvements are depreciated over the primary lease period. Cost of intangible assets is amortized in accordance with the provisions of Accounting Standard 26- " Intangible Assets ".

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

2.4 Impairment:

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

2.5 Leases:

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

2.6 Investments:

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

2.7 Inventories:

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

2.8 Revenue Recognition:

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

Sales and services are stated exclusive of taxes.

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

2.9 Export Benefits Entitlement:

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

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016.

2.10 Foreign Exchange Transactions:

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

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

2.11 Borrowing Costs:

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

2.12 Provisions, Contingent Liabilities and Contingent Assets:

The Company creates a provision where there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent Assets are neither recognized nor disclosed in the financial statements.

2.13 Employee Benefits:

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

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

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

2.14 Taxation:

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

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

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

2.16 Earnings Per Share:

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

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in Lakhs)

		AS AT 31ST MARCH, 2016	AS AT 31ST MARCH, 2015
3	**SHARE CAPITAL :**		
	AUTHORISED:		
	3,42,50,000 (Previous Year 3,42,50,000) Equity Shares of ₹ 10/- each.	**3,425.00**	3,425.00
		3,425.00	**3,425.00**
	ISSUED, SUBSCRIBED AND PAID UP		
	2,35,84,058 (Previous Year 2,35,84,058) Equity Shares of ₹ 10/- each, fully paid up	**2,358.41**	2,358.41
	Add: Forfeited Shares Account (Amount originally paid up)	**58.85**	58.85
	Total	**2,417.26**	**2,417.26**

3.1 Terms/ rights attached to equity shares

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

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

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

Name of Shareholder	AS AT 31ST MARCH, 2016		AS AT 31ST MARCH, 2015	
	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	**72,99,811**	**30.95**	76,28,149	32.34

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

(₹ in Lakhs)

Particulars	AS AT 31ST MARCH, 2016 No of Shares	AS AT 31ST MARCH, 2015 No of Shares
Equity Shares at the beginning of the year	**2,35,84,058**	2,35,84,058
Equity Shares at the end of the year	**2,35,84,058**	**2,35,84,058**

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in Lakhs)

		AS AT 31ST MARCH, 2016		AS AT 31ST MARCH, 2015
4	**RESERVES AND SURPLUS:**			
	Capital Reserve:			
	As per last accounts		**13.87**	13.87
	Capital Redemption Reserve:			
	As per last accounts		**266.50**	266.50
	Securities Premium Account:			
	As per last accounts		**14,986.74**	14,986.74
	General Reserve:			
	As per last accounts	**-**		3,767.09
	Less: Transferred to Surplus/ (Deficit) in the Statement of Profit and Loss	**-**		3,767.09
			-	-
	Amalgamation Reserve			
	As per last accounts (Refer Note 4.1)		**280.06**	280.06
			15,547.17	15,547.17
	Surplus/(Deficit) in the Statement of Profit and Loss			
	As per last accounts	**(20,603.92)**		(17,895.31)
	Add/ (Less): Additional Depreciation (Net of tax ₹ Nil) pursuant to enactment of Schedule II to the Companies Act, 2013 (Refer Note 6.1)	**-**		(560.01)
	Add/ (Less) : Transferred from General Reserve	**-**		3,767.09
		(20,603.92)		(14,688.23)
	Add/ (Less): Profit/ (Loss) for the year	**(8,528.27)**		(5,915.69)
			(29,132.19)	(20,603.92)
	Total		**(13,585.02)**	**(5,056.75)**

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

5 LONG-TERM BORROWINGS

(₹ in Lakhs)

		AS AT 31ST MARCH, 2016		AS AT 31ST MARCH, 2015	
		Non Current	**Current**	**Non Current**	**Current**
	SECURED:				
A	Term Loans from Banks (Refer Note 5.1 and 5.4)	**19,923.48**	**9,686.14**	15,209.04	14,749.00
B	Term Loans Under Structured Mezzanine Credit Facility from banks (Refer Note 5.2)	**1,399.50**	**5,560.77**	-	6,750.68
C	Term Loan from a Financial Institution (Refer Note 5.3 and 5.4)	**4,014.38**	**278.00**	4,292.38	176.00
D	Term Loans From Others (Refer Note 5.3 and 5.4)	**3,550.00**	**1,790.78**	-	5,606.18
	Total	**28,887.36**	**17,315.69**	**19,501.42**	**27,281.86**

5.1 Term loans from Banks (including assigned loans of ₹ 21,240.00 Lakhs (Previous year ₹ 21,550.17 Lakhs) in favour of certain Asset Reconstruction Companies) secured by a first ranking pari-passu charge on lands at "The Orchid" at Vile Parle (East) (owned by Plaza Hotels Private Limited) together with hotel buildings and all appurtenances thereon, first / second ranking pari-passu mortgage on Company's immovable property being Hotel "VITS" at Andheri (East), hypothecation on movable fixed assets of Company's hotels at Fort Jadhav Gadh Pune and VITS Nashik, Credit Card receivables, equitable mortgage of hotel property at Lotus Goa, pledge of Equity Shares of the Company held by promoters, pledge of Equity Shares of the Subsidiary companies viz. Orchid Hotels Pune Pvt. Ltd., Kamats Restaurants (India) Pvt. Ltd., Fort Jadhavgadh Hotels Pvt. Ltd. and 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.

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

5.2 Term Loans under Structured Mezzanine Credit Facility from Banks (including assigned loans of ₹ 1,489.00 Lakhs (Previous year ₹ 1,279.41 Lakhs) in favour of certain Asset Reconstruction Companies) 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 of ₹ 8,034.38 Lakhs (Previous year ₹ 8,475.78 Lakhs) in favour of certain Asset Reconstruction Companies) are secured by first ranking pari-passu charge on lands at "The Orchid" at Vile Parle (East) (owned by Plaza Hotels Private Limited) together with hotel buildings and all appurtenances thereon, first / second ranking pari-passu mortgage on Company's immovable property being Hotel "VITS" at Andheri (East), hypothecation of all movable assets there at, Credit Card receivables, pledge of Equity Shares of the Company held by promoters, pledge of Equity Shares of the Subsidiary companies viz. Orchid Hotels Pune Pvt. Ltd., Kamats Restaurants (India) Pvt. Ltd., Fort Jadhavgadh Hotels Pvt. Ltd. and 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 The Corporate Debt Restructuring (CDR) Scheme sanctioned by the Corporate Debt Restructuring Empowered Group vide sanction letter dated 12th March, 2013 in respect of restructured debts of ₹ 33,636.36 lakhs from some of the lenders failed in the previous year as despite best efforts by the Company, the stipulated assets of the Company could not be sold and consequently the debts aggregating to ₹19,614.37 lakhs agreed to be repaid out of the above debts could not be repaid by 31st March, 2014. As explained in Note 38 to Financial Statements the concerned lenders recalled their entire dues. Some of the lenders assigned their respective loans aggregating to ₹ 32,147.88 lakhs (Prev. Year ₹ 25,199.38 lakhs) to securitisation and asset reconstruction companies during the year and previous 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. These loans have been referred to as assigned loans.

5.5 In respect of loans from a lender (Previous year two lenders), no provision for interest aggregating to ₹ 277.27 lakhs (Prev. Year ₹ 530.03 lakhs) has been made for the year ended 31st March, 2015 and 31st March, 2016 respectively, as the Company has not accepted their claims and matter was disputed and in one case pending before the Bombay High Court. In terms of interim orders passed by the Bombay High Court, the Company has deposited an aggregate amount of ₹ 3,050.24 lakhs (Previous year ₹ Nil) with the Prothonotary & Senior Master till 31st March, 2016 which has been shown in Note 21. Adjustments, if any, will be made on reconcilication / 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 ₹ 46,203.05 lakhs (Prev. Year ₹ 46,783.28 lakhs), to the extent of ₹ 16,244,79 lakhs (Prev. Year ₹ 22,147.82 laksh) are subject to confirmation from respective lenders, who have initiated recovery proceeding including under SARFAESI Act and The Negotiable Instruments Act 1881.

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

	Rate of Interest	**Maturity Profile**			**(₹ In Lakhs)**
	(p.a)	**1-2 Years**	**2-3 Years**	**3-4 Years**	**4 Years & Above**
Term Loans from Banks	Not applicable	2,015.97	13,941.58	2,580.53	1,385.40
Term Loans Under Structured Mezzanine Credit Facility from banks	Not applicable	118.50	232.00	349.00	700.00
Term Loan from a Financial Institution	Not applicable	327.00	1,946.00	1,741.38	-
Term Loans From Others	Not applicable	420.00	572.00	572.00	1,986.00

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

5.8 Out of the above loans, comprising of both non-current and current portion, loans aggregating to ₹ 46,203.05 lakhs (Previous year ₹ 46,783.28 lakhs) have been guaranted 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, 2016 (₹ in Lakhs)		
		Current	Interest	Period of delays From - To Days
A	Term Loans from Banks	9,174.81	3,071.66	1 - 763
B	Term Loans Under Structured Mezzanine Credit Facility from banks	5,471.26	1,754.38	1 - 671
C	Term Loan from a Financial Institution	-	-	-
D	Term Loans From Others	1,598.78	504.44	1 - 671

(₹ in Lakhs)

		AS AT 31ST MARCH, 2016	AS AT 31ST MARCH, 2015
6	**DEFERRED TAX LIABILITY:**		
	Deferred tax Liability		
	Related to Depreciation on Fixed Assets	4,249.91	4,017.78
	Total	4,249.91	4,017.78
	Deferred tax Assets		
	Expenses allowable for tax purpose on payment basis	4,427.88	3,909.70
	Provision for Employee Benefits	102.40	106.83
	Provision for Doubtful Debts	401.05	341.12
	Provision for doubtful Interest Receivable	-	1,426.96
	Merger Expenses	-	1.07
	Unabsorbed Depreciation /Business Loss	904.45	-
	Total	5,835.78	5,785.68
	Deferred Tax Liability/(Assets) (net) after adjustments	(1,585.87)	(1,767.89)
	Incremental Deferred Tax (asset) / charge for the year (Refer Note 6.1)	182.01	2,309.07

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

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in Lakhs)

		AS AT 31ST MARCH, 2016	AS AT 31ST MARCH, 2015
7	**OTHER LONG-TERM LIABILITIES:**		
	Deferred Sales Tax Liability (Refer Note 7.1)	**50.00**	75.00
	Security Deposits - Others	**470.37**	454.78
	Security Deposits from Joint Venture Company (Refer Note 7.2)	**80.00**	80.00
	Time Share Membership- Refundable	**521.27**	1,553.46
	Income received in Advance (Time Share)	**640.24**	714.09
	Total	**1,761.88**	**2,877.33**

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

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

(₹ in Lakhs)

		AS AT 31ST MARCH, 2016	AS AT 31ST MARCH, 2015
8	**LONG-TERM PROVISIONS:**		
	Provision for Employee Benefits- Earned Leave (Refer Note 26.1.3)	**141.91**	165.89
	Total	**141.91**	**165.89**

(₹ in Lakhs)

		AS AT 31ST MARCH, 2016	AS AT 31ST MARCH, 2015
9	**SHORT-TERM BORROWINGS**		
	SECURED:		
	Working Capital Facility from a Bank (Refer Note 9.1)	**772.43**	704.41
		772.43	**704.41**

9.1 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 second pari passu charge by mortgage of immovable property being Hotel "VITS" at Andheri (East), hypothecation of all movable assets thereat, pledge of shares and personal and corporate guarantees of certain promoter directors and entities.

(₹ in Lakhs)

		AS AT 31ST MARCH, 2016	AS AT 31ST MARCH, 2015
10	**TRADE PAYABLES:**		
	Total outstanding dues of micro enterprises and small enterprises	**24.62**	9.60
	Total outstanding due of Creditors other than above	**2,365.34**	1,293.80
	Payable to related parties	**83.87**	39.51
		2,473.83	**1,342.91**

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

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

(₹ in Lakhs)

Particulars	AS AT 31ST MARCH, 2016	AS AT 31ST MARCH, 2015
Dues remaining unpaid at the year end:		
- Principal	**24.62**	9.60
- Interest	**15.91**	13.77
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.	**2.14**	4.78
Amount of interest accrued and remaining unpaid at the year end	**15.91**	13.77
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	**0.95**	0.10

(₹ in Lakhs)

		AS AT 31ST MARCH, 2016		AS AT 31ST MARCH, 2015
11	**OTHER CURRENT LIABILITIES:**			
	Current Maturities of Long-Term Debts:			
	Term Loans from Banks (Refer Note 5.1 and 5.4)	**9,686.14**		14,749.00
	Term Loans under Structured Mezzanine Credit Facility from banks (Refer Note 5.2)	**5,560.77**		6,750.68
	Term Loan from a Financial Institution (Refer Note 5.3 and 5.4)	**278.00**		176.00
	Term Loans from Others (Refer Note 5.2, 5.3 and 5.4)	**1,790.78**		5,606.18
			17,315.69	27,281.86
	Creditors for Capital Expenditure		**20.64**	21.41
	Advance from customers		**244.00**	284.77
	Income Received in Advance (Time Share)	**73.86**		73.86
	Income Received in Advance (Others)	**74.04**		71.83
			147.90	145.69
	Bank Balance Overdrawn		**5.69**	19.52
	Interest Accrued And Due	**5,252.41**		4,039.53
	Interest Accrued But Not Due	**107.60**		112.61
			5,360.01	4,152.14
	Unpaid / Unclaimed Dividends (Refer Note 11.1)		**2.10**	6.16
	Other Payables (Refer Note 11.2 and 11.3)		**1,990.35**	1,116.98
			25,086.38	**33,028.53**

11.1 There is no amount due and outstanding to be credited to Investor Education and Protection Fund as on 31st March , 2016

11.2 Includes employees dues, statutory dues and security deposits.

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

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in Lakhs)

		AS AT 31ST MARCH, 2016	AS AT 31ST MARCH, 2015
12	**SHORT-TERM PROVISIONS:**		
	Provision for Employee Benefits- Gratuity	**96.57**	95.10
	Provision for Employee Benefits- Earned Leave	**57.41**	53.31
	Provision for Wealth Tax (Net of payments)	**-**	0.83
		153.98	**149.24**

13 FIXED ASSETS : (₹ in Lakhs)

Description	GROSS BLOCK-COST / BOOK VALUE				DEPRECIATION / AMORTISATION					NET BLOCK	
	As at 1st April, 2015	Additions / adjustments during the year	Deductions / adjustments during the year	As at 31st March, 2016	As at 1st April, 2015	For the year	Depreciation Adjustment in Opening Retained Earnings (Refer Note 37)	Deductions / adjustments during the year	As at 31st March, 2016	As at 31st March, 2016	As at 31st March, 2015
I) **TANGIBLE**											
Land											
a) Freehold	3,279.45	-	-	**3,279.45**	-	-	-	-	**-**	**3,279.45**	3,279.45
b) Leasehold	31.27	-	-	**31.27**	0.06	-	-	-	**0.06**	**31.21**	31.21
Sub-Total	**3,310.72**	**-**	**-**	**3,310.72**	**0.06**	**-**	-	**-**	**0.06**	**3,310.66**	**3,310.66**
Buildings											
a) Freehold	9,557.71	1.55	220.92	**9,338.34**	3,084.75	179.00	-	90.45	**3,173.31**	**6,165.04**	6,472.96
b) Improvements to Buildings under Long Term Contracts	26,482.74	25.36	16.79	**26,491.31**	5,718.51	738.79	-	106.90	**6,350.40**	**20,140.91**	20,764.23
Sub-Total	**36,040.45**	**26.91**	**237.71**	**35,829.65**	**8,803.26**	**917.79**	-	**197.35**	**9,523.70**	**26,305.95**	**27,237.19**
Plant and Equipment	5,621.10	148.51	84.80	**5,684.81**	3,675.33	281.15	-	38.29	**3,918.19**	**1,766.62**	1,945.77
Furniture and Fixtures	1,987.26	18.42	72.38	**1,933.30**	1,960.04	30.77	-	64.92	**1,925.89**	**7.41**	27.22
Vehicles	239.13	5.11	14.77	**229.48**	181.20	15.47	-	14.29	**182.38**	**47.09**	57.93
Office Equipment	389.58	18.31	2.79	**405.10**	179.40	30.32	-	2.05	**207.67**	**197.43**	210.18
Sub-Total	**8,237.07**	**190.35**	**174.74**	**8,252.68**	**5,995.97**	**357.71**	-	**119.55**	**6,234.13**	**2,018.55**	**2,241.10**
Total	**47,588.24**	**217.26**	**412.45**	**47,393.05**	**14,799.29**	**1,275.50**	-	**316.90**	**15,757.89**	**31,635.16**	**32,788.95**
II) **INTANGIBLE**											
Computer Softwares	157.59	2.53	2.02	**158.10**	125.62	4.54	-	1.83	**128.32**	**29.78**	31.97
Total	**157.59**	**2.53**	**2.02**	**158.10**	**125.62**	**4.54**	-	**1.83**	**128.32**	**29.78**	**31.97**
Grand Total	**47,745.83**	**219.79**	**414.47**	**47,551.15**	**14,924.91**	**1,280.04**	-	**318.73**	**15,886.21**	**31,664.94**	**32,820.92**
Previous Year Total	47,832.18	150.44	236.79	**47,745.83**	12,568.41	1,837.84	560.03	41.37	**14,924.91**	**32,820.92**	-
CAPITAL WORK-IN-PROGRESS											
Capital Work-In-Progress (Note 13.2)	-	21.35	-	**21.35**	-	-	-	-	**-**	**21.35**	-
Previous Year Total	16.59	-	(16.59)	**-**	-	-	-	-	**-**	**-**	16.59

NOTES:

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

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

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in Lakhs)

	Number	Face value per unit		AS AT 31ST MARCH, 2016	AS AT 31ST MARCH, 2015
14	**NON-CURRENT INVESTMENTS**				
			A. Trade Investments In Joint Venture Companies		
			Fully Paid Equity Shares (Unquoted)		
	2,66,500	₹ 10	- Ilex Developers & Resorts Limited (Refer Note 5.1)	**533.00**	533.00
	(2,66,500)				
			B. Trade Investments In Subsidiary Companies		
			Fully Paid Equity Shares (Unquoted)		
	1,17,64,706	₹ 10	- Orchid Hotels Pune Private Limited (Refer Note 14.1 and 14.2)	**9,327.75**	9,327.75
	(1,17,64,706)				
			Less: Provision for Diminution in value	**9,327.75**	-
				-	9,327.75
	10,000	₹ 10	- Fort Jadhavgadh Hotels Private Limited (Refer Note 5.1)	**1.00**	1.00
	(10,000)				
	10,000	₹ 10	- Green Dot Restaurants Private Limited	**1.00**	1.00
	(10,000)				
	10,000	₹ 10	- Fort Mahodadhinivas Palace Private Limited (Refer Note 5.1)	**1.00**	1.00
	(10,000)				
	10,000	₹ 10	- Kamats Restaurant (India) Private Limited (Refer Note 5.1)	**1.00**	1.00
	(10,000)			**537.00**	**9,864.75**
			C. Non Trade Investments		
			Fully paid up equity shares (Quoted)		
	50	₹ 10	-Royal Orchid Hotels Limited	**0.02**	0.03
	(50)				
			Fully paid up equity shares (Unquoted)		
	10,010	₹ 50	-The Satara Sahakari Bank Limited	**5.01**	5.01
	(10,010)				
			Tax Saving Bonds (Unquoted)		
	200	₹ 5,000	ICICI Tax Saving Bonds (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	**552.08**	**9,879.84**
			Aggregate amount quoted Investments		
			-Cost	**0.03**	0.03
			-Market Value	**0.04**	0.02
			Aggregate amount of unquoted Investments		
			-Cost	**552.06**	9,879.80

14.1 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 as non-performing asset by its lender due to defaults in paying the loan dues. OHPPL is also facing other adverse factors which have severely affected its financial position. Considering these adverse factors, the Company has made a

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

provision for ₹ 23,844.56 lakhs towards recovery of loan and interest dues upto December, 2013 in earlier years. Since the loan is considered doubtful of recovery, interest on the outstanding loan is not recognized as income for the period after December, 2013. The Company has also made a provision for ₹ 9,327.75 lakhs (Prev. Year ₹ Nil) towards the dimunition in value of investment in OHPPL during the year in view of adverse factors.

14.2 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 5.1 and 5.3).

14.3 Figures in brackets are in respect of previous year.

(₹ in Lakhs)

		AS AT 31ST MARCH, 2016		AS AT 31ST MARCH, 2015
15	**LONG-TERM LOANS AND ADVANCES:**			
	(Unsecured, good, unless otherwise stated)			
	Capital Advances (include ₹ 188.65 Lakhs (Previous Year ₹ 208.65 Lakhs) considered doubtful)	**188.65**		211.54
	Less: Provision for doubtful advances	**188.65**		208.65
			-	2.89
	Inter Corporate Deposit- Considered Doubtful	**200.00**		200.00
	Less: Provision for Doubtful Deposits	**200.00**		200.00
		-	**-**	-
	Loans and Advances to related parties:			
	Orchid Hotels Pune Private Limited (Subsidiary)	**19,646.40**		19,646.40
	(Maximum balance during the year ₹ 19,646.40 Lakhs (Previous Year ₹ 19,654.26 Lakhs)) (Refer note 14.1) (considered doubtful (Previous year ₹ 19,646.40 Lakhs))			
	Less: Provision for Doubtful Loan	**19,646.40**		19,646.40
		-		-
	Fort Mahodhadhinivas Palace Private Limited (Subsidiary)			
	(Maximum balance during the year ₹ 827.66 Lakhs (Previous Year ₹ 1229.66 Lakhs))	**827.66**		827.66
			827.66	827.66
	Payment of Taxes (Less Provisions) (Refer Note 15.1)		**894.34**	544.04
	MAT Credit Entitlement		**155.97**	38.79
	Prepaid Expenses		**1.37**	8.29
	Total		**1,879.34**	**1,421.67**

15.1 Payment of Taxes is net of provision for tax of ₹ 1,244.49 lakhs (Previous Year ₹ 361.89 lakhs) and further after adjusting ₹ 211.75 lakhs (Previous year ₹ 117.17 lakhs) for MAT credit availed during the previous year.

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in Lakhs)

		AS AT 31ST MARCH, 2016		AS AT 31ST MARCH, 2015
16	**OTHER NON-CURRENT ASSETS:**			
	(Unsecured, good, unless otherwise stated)			
	Security Deposits		**127.08**	116.65
	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)	**8,519.62**		8,524.87
	Less: Provision for doubtful deposit	**488.62**		488.62
			8,031.00	8,036.25
	Total		**8,158.08**	**8,152.90**

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

16.2 In terms of the Memorandum of Understanding with a Public Trust owning a plot of land in Mumbai, the Company had paid ₹ 488.62 lakhs as security deposit and incurred expenditure of ₹ 207.93 lakhs for a proposed hospitality project on the said land in earlier years. The owner did not fulfill his obligation to complete the infrastructure for the aforesaid project despite follow up by the Company. In view of inordinate delay in the projects, the expenditure incurred on the said incomplete project has been written off and a provision has been made in the previous year for the deposit paid to the said party. In the meantime, the Company had initiated legal proceedings against the owners by filing Arbitration Application before the Bombay High Court for appointment of Arbitrator. The Bombay High Court vide order dated 22nd February, 2013 has referred the matter to a sole arbitrator. The Company filed its Statement of Claims before the arbitrator. The owners also filed their reply and also made a counter claim for compensation and interest thereon before the arbitrator besides claiming that the claim of the Company was barred by limitation of time. Subsequently, vide letter dated 12th September, 2013, the arbitrator resigned and the matter could not proceed further thereafter the Company has approached the High Court again for directions. Pursuant to the directions given by the High Court vide Order dated 4th February, 2016, sole Arbitrator has been appointed and the matter is pending before him. Adjustments, if any, to the expenditure written off and provision made as above, will be made on disposal / conclusion of the Arbitration Proceedings in the above matter.

(₹ in Lakhs)

		AS AT 31ST MARCH, 2016	AS AT 31ST MARCH, 2015
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 - ₹ 4.16 Lakhs (Previous Year ₹ 4.70 Lakhs)	**4.16**	4.70
	Total	**4.16**	**4.70**

(₹ in Lakhs)

		AS AT 31ST MARCH, 2016	AS AT 31ST MARCH, 2015
18	**INVENTORIES:**		
	(At Lower of weighted average cost and net realisable value)		
	Raw Materials and Others		
	- Food and Beverages	**161.16**	158.27
	- Stores and Operating Supplies	**300.16**	290.97
	Total	**461.32**	**449.24**

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in Lakhs)

		AS AT 31ST MARCH, 2016	AS AT 31ST MARCH, 2015
19	**TRADE RECEIVABLES:**		
	(Unsecured, good, unless otherwise stated)		
	Unsecured:		
	- Over Six Months [₹ 1,158.49 Lakhs (Previous year ₹ 1,003.22 Lakhs) considered doubtful]	**1,169.31**	1,010.46
	- Other Debts [₹ Nil (Previous year ₹ Nil) (considered doubtful)]	**1,002.20**	1,153.04
		2,171.51	2,163.50
	Less: Provision for Doubtful Debts	**1,158.49**	1,003.22
	Total	**1,013.02**	**1,160.28**
19.1	Included in above:		
	(a) due from Orchid Hotels Pune Private Limited (wholly owned Subsidiary) (Unsecured, good)	**87.19**	-
	(b) due from Ilex Developers & Resorts Limited (Joint Venture Company) (Unsecured, good)	**13.50**	8.02
	(c) due from Treeo Resorts Private Limited (Associate Company) (Unsecured, good)	**13.44**	-

(₹ in Lakhs)

		AS AT 31ST MARCH, 2016	AS AT 31ST MARCH, 2015
20	**CASH AND BANK BALANCES:**		
	Cash and Cash Equivalents:		
	- Balance with Banks	**421.14**	587.59
	- Cash on hand	**20.98**	37.75
	- Cheques on hand	**11.71**	2.05
	- Foreign Exchange in hand	**0.34**	0.79
	Sub-total	**454.17**	628.18
	Other Bank Balances:		
	- Margin Money in Fixed Deposits with Banks	**44.59**	31.72
	- Dividend Bank Accounts	**2.10**	6.17
	Sub-total	**46.69**	37.89
	Total	**500.86**	**666.07**

(₹ in Lakhs)

		AS AT 31ST MARCH, 2016	AS AT 31ST MARCH, 2015
21	**SHORT TERM LOANS AND ADVANCES:**		
	(Unsecured, good)		
	- Loans and Advances to Employees	**1.08**	0.65
	- Deposits including Balances with Government and other agencies	**28.62**	31.17
	- Deposits with Prothonotary & Senior Master, Bombay High Court (Refer Note 5.5 and 24.2)	**3,050.24**	-
	- Advance Payment of Taxes (Net)(Refer Note 21.1)	**-**	193.14
	- Prepaid Expenses	**139.80**	143.23
	- Others (Refer Note 21.2)	**357.57**	58.06
	Total	**3,577.31**	**426.25**

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

21.2 Include advances to suppliers and for expenses.

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in Lakhs)

		AS AT 31ST MARCH, 2016	AS AT 31ST MARCH, 2015
22	**OTHER CURRENT ASSETS:**		
	(Unsecured good) (unless otherwise stated)		
	- Interest Receivable from related parties ₹ Nil (Refer Note 22.1)(considered doubtful) (Previous year ₹ 4,198.16 lakhs)	-	4,198.16
	Less: Provision for Doubtful Interest receivable	-	4,198.16
		-	-
	- Interest Receivable on Loans & Advances (Refer Note 22.2)	**175.25**	85.62
	- Interest Receivable on Bank Deposits and Investments	**102.30**	62.75
	Total	**277.55**	**148.37**

22.1 This amount is due from Orchid Hotels Pune Private Limited (wholly owned Subsidiary) (Refer Note 14.1)

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

(₹ in Lakhs)

		FOR THE YEAR ENDED 31ST MARCH, 2016	FOR THE YEAR ENDED 31ST MARCH, 2015
23	**REVENUE FROM OPERATIONS:**		
	Revenue from Hotel Operations:		
	Rooms	**8,763.15**	7,603.76
	Food and Beverages	**4,714.01**	4,312.13
	Income from Time Share Business (Refer Note 23.1)	**393.24**	345.95
	Management and Consultancy Fees (Refer Note 23.2 and 34.1)	**390.13**	318.03
	Sub total 'A'	**14,260.53**	**12,579.87**
	Other Operating Revenue:		
	Swimming Pool and Health Club	**97.59**	76.63
	Conference and Banqueting Services	**154.82**	125.89
	Internet and Telephone	**50.18**	18.94
	Laundry Services	**61.22**	54.71
	Car Rental and Transportation	**69.63**	49.72
	Membership- Sales Promotion Schemes	**125.49**	139.29
	Licence Fees - Shops and Offices	**168.77**	144.34
	Miscellaneous Services	**97.45**	142.14
	Sub total 'B'	**825.15**	**751.66**
	Sub total 'A' + 'B'	**15,085.68**	**13,331.53**
	Less: Excise Duty relating to sale of Food and Beverages	**1.13**	0.24
	Total	**15,084.55**	**13,331.29**

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

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

23.2 include ₹ 38.85 lakhs (Previous year ₹ Nil) relating to previous year.

(₹ in Lakhs)

		FOR THE YEAR ENDED	
		31ST MARCH, 2016	**31ST MARCH, 2015**
24	**OTHER INCOME:**		
	Interest Earned		
	Interest on Long Term Investments	**9.56**	8.44
	Interest from Banks on deposits	**21.30**	25.34
	Interest from subsidiary on loan (Refer Note 15)	**99.59**	95.13
	Interest from Others (Refer Note 24.2)	**48.93**	7.28
		179.38	136.19
	Gain on Foreign Exchange (Net)	**10.81**	9.12
	Dividend on Long Term Investments	**0.53**	0.50
	Liabilities and Provisions written back (Refer Note 24.1)	**152.08**	36.35
	Excess Provision for depreciation written back	**146.01**	-
	Licence Fees-Other Properties	**75.72**	92.73
	Profit on disposal of fixed assets (Net)	**-**	251.02
	Recovery of excess Managerial remuneration of earlier year (Refer Note 26.3)	**-**	24.72
	Other Non Operating Income (Refer Note 24.3)	**167.12**	48.71
	Total	**731.65**	**599.34**

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

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

24.3 Includes ₹ 55.33 lakhs (Previous Year ₹ 30.33 lakhs) insurance claim and ₹ 20.39 lakhs (Previous year ₹ Nil) being MVAT refund.

(₹ in Lakhs)

		FOR THE YEAR ENDED	
		31ST MARCH, 2016	**31ST MARCH, 2015**
25	**COST OF FOOD AND BEVERAGE CONSUMED:**		
	Opening Stock	**158.27**	128.07
	Add: Purchases (Refer Note 25.1)	**1,367.97**	1,294.15
		1,526.24	1,422.22
	Less: Closing Stock	**161.16**	158.27
	Total	**1,365.08**	**1,263.95**

25.1 Purchases are net of recoveries of ₹ 329.78 lakhs (Previous year ₹ 260.84 lakhs)

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in Lakhs)

		FOR THE YEAR ENDED 31ST MARCH, 2016	FOR THE YEAR ENDED 31ST MARCH, 2015
25.2	Particulars of imported and indigenous food and beverages consumed:		
Value	- Imported	**159.04**	26.99
	- Indigenous	**1,206.04**	1,236.96
		1,365.08	**1,263.95**
Percentage	- Imported	**11.65%**	2.14%
	- Indigenous	**88.35%**	97.86%
		100.00%	**100.00%**

26	**EMPLOYEE BENEFITS EXPENSE:**		
	Salaries and Wages	3,124.81	2,739.99
	Contribution to Provident and other Funds	165.60	143.80
	Provision for Gratuity (Refer Note 26.1.2)	18.55	64.80
	Provision for Leave Encashment (Refer Note 26.1.3)	15.90	28.35
	Staff Welfare Expenses	292.58	243.49
	Total	**3,617.44**	**3,220.43**

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

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	158.14	141.31

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	**255.09**	210.58
	Current Service Cost	**34.76**	32.19
	Interest Cost	**16.56**	9.56
	Actuarial (gain) / loss	**(30.94)**	26.67
	Benefit Paid	**(36.06)**	(33.91)
	Defined Benefit obligation at year end	**239.42**	255.09
b)	**Reconciliation of opening and closing balance of fair value of plan assets**		
	Fair value of plan assets at beginning of the year	**160.00**	151.48
	Expenses Deducted from the fund	**(0.84)**	-
	Expected return on plan assets	**8.97**	13.18
	Employers Contribution	**6.73**	28.81
	Benefit Paid	**(36.06)**	(33.91)
	Actuarial (gain) / loss	**4.05**	0.44
	Fair value of plan assets at year end	**142.85**	159.99
	Actual return on plan assets	**8.97**	13.18

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in Lakhs)

		FOR THE YEAR ENDED	
		31ST MARCH, 2016	31ST MARCH, 2015
c)	**Reconciliation of fair value of assets and obligations**		
	Fair value of plan assets as at 31st March, 2016	**142.85**	159.99
	Present value of obligation as at 31st March ,2016	**239.42**	255.09
	Amount recognised in Balance Sheet	**96.57**	95.10
d)	**Net Gratuity and other cost for the year**		
	Current Service Cost	**34.76**	32.19
	Interest Cost	**16.56**	6.38
	Expected return on plan assets	**(8.97)**	-
	Actuarial (gain)/ loss	**(34.99)**	26.23
	Net Cost	**7.36**	64.80
e)	**Investment Details**	**% invested**	% invested
	L I C Group Gratuity (Cash Accumulation) Policy	**100**	100
f)	**Actuarial assumptions**		
	Mortality Table (L.I.C)	**2006-08 (Ultimate)**	**2006-08 (Ultimate)**
	Discount rate (per annum)	**7.90%**	7.98%
	Expected rate of return on plan assets (per annum)	**7.90%**	7.98%
	Rate of escalation in salary (per annum)	**6.50%**	6.50%
	Employers Best estimate of expected contribution for next year	**96.57**	95.10

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.

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	**219.19**	190.84
	Actuarial (gain) / loss	**(19.88)**	28.35
	Defined Benefit obligation at year end	**199.32**	219.19
b)	**Reconciliation of fair value of assets and obligations**		
	Present value of obligation as at 31st March, 2016	**199.32**	219.19
	Amount Recognised in Balance Sheet	**199.32**	219.19
c)	**Expenses recognised during the year**		
	Actuarial (gain)/ loss	**(19.88)**	28.35
	Net Cost	**(19.88)**	28.35

26.2	**Managerial Remuneration :**		
	Remuneration to Managing and Whole Time Directors (₹ 96.00 lakhs to Managing Director) (Previous Year ₹ 96 Lakhs) (Refer Note 26.3)	**96.00**	111.00
	Contribution to Provident Fund	**9.50**	10.89
	Perquisites	**0.11**	0.07
	Total	**105.61**	**121.96**

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

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 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 previous year 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 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.

(₹ in Lakhs)

		FOR THE YEAR ENDED	
		31ST MARCH, 2016	31ST MARCH, 2015
27	**OTHER EXPENSES:**		
	OPERATING EXPENSES:		
	Heat , Light and Power	**1,625.62**	1,557.60
	Rent	**122.41**	131.13
	Licences, Rates and Taxes (Refer Note 27.1)	**548.37**	484.89
	Repairs to Buildings	**288.71**	183.43
	Repairs to Plant and Machinery	**295.35**	211.86
	Repairs to Others	**146.51**	123.35
	Expenses on Apartments and Boards	**577.19**	497.94
	Replacements of Crockery, Cutlery, Linen, etc.	**110.26**	93.52
	Washing and Laundry Expenses	**138.89**	119.46
	Water Charges	**162.49**	154.38
	Sub-Total	**4,015.80**	**3,557.56**
	GENERAL EXPENSES:		
	Advertisement, Publicity and Sales Promotion	**306.76**	285.78
	Travel Agents' Commission	**310.85**	193.36
	Discount to Collecting Agents	**95.73**	105.79
	Management/ Licence Fees and Royalty	**145.17**	128.57
	Band and Music Expenses	**78.55**	100.45
	Sub-Total	**937.06**	**813.95**
	ADMINISTRATIVE AND OTHER EXPENSES:		
	Communication Expenses	**90.68**	78.10
	Printing and Stationery	**83.27**	68.44
	Legal, Professional and Consultancy charges (Refer Note 27.3)	**393.48**	417.87
	Directors' Sitting fees	**2.00**	3.70
	Travelling and Conveyance	**195.75**	166.98
	Insurance	**38.10**	37.12
	Bad Debts	**32.83**	16.70
	Provision for Doubtful debts and advances	**155.26**	644.70
	Auditors' Remuneration (Refer Note 27.2)	**10.80**	11.08
	Sales Tax/Vat /Luxury Tax etc. including assessment dues	**79.67**	229.79
	Loss on Diminution in value of Current Investments	**0.53**	0.31
	Loss on Sale / Discard of Fixed Assets (Net)	**47.33**	-
	Prior Periods Expenses	**11.82**	13.59
	Miscellaneous Expenses	**65.97**	69.88
	Sub-Total	**1,207.49**	**1,758.26**
	Total	**6,160.35**	**6,129.77**

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

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

(₹ in Lakhs)

		FOR THE YEAR ENDED	
		31ST MARCH, 2016	31ST MARCH, 2015
27.2	**Auditors' Remuneration**		
	- As Audit Fees	**9.00**	9.00
	- Taxation Matters	**-**	0.35
	- Other Services	**1.45**	1.35
	- Out of Pocket Expenses	**0.30**	0.30
	- Service Tax (net of Input tax credit availed)	**0.05**	0.08
	Total	**10.80**	**11.08**

27.3 The Company has paid ₹ 1.25 Lakhs (Previous Year ₹ 1.25 Lakhs) as tax audit fees , ₹ 0.25 Lakhs (Previous year ₹ 0.25 Lakhs) for attending to taxation matter, ₹ 0.60 Lakhs (Previous year ₹ 0.60 Lakhs) for VAT audit fees and ₹ 0.29 Lakhs (Previous Year ₹ 0.26 Lakhs) as service tax thereon to a partner of the auditors.

(₹ in Lakhs)

		FOR THE YEAR ENDED	
		31ST MARCH, 2016	31ST MARCH, 2015
28	**FINANCE COSTS:**		
	Interest Expense (Refer Note 28.1 and 28.2)	**3,007.48**	6,228.97
	Other Borrowing Costs (Refer Note 28.3)	**938.95**	1,719.24
	Total	**3,946.43**	**7,948.21**

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

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

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

(₹ in Lakhs)

		FOR THE YEAR ENDED	
		31ST MARCH, 2016	31ST MARCH, 2015
29	**EXCEPTIONAL ITEMS:**		
	EXPENSES:		
	Provision for Diminution in Investment in Subsidiary (Refer Note 14.1)	**9,327.75**	-
	Bad Debts - interest receivable from Subsidiary written off	**4,198.16**	-
		13,525.91	-
	INCOME:		
	Excess Provision Written Back * Interest provision of earlier years	**745.83**	-
	Profit /(Loss) on Sale / Discard / Disposal of Fixed Assets (Net)	**489.62**	-
	Provision for doubtful interest receivable from Subsidiary Written Back	**4,198.16**	-
		5,433.61	-
	Total	**8,092.30**	**-**

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

30 Contingent Liabilities and Commitments.

(₹ in Lakhs)

		AS AT 31ST MARCH, 2016	AS AT 31ST MARCH, 2015
A	**Claims Against Company / Disputed liabilities not acknowledged as debts.**		
I	**Contingent Liabilities**		
i)	Disputed Income Tax Demand	**400.69**	261.91
ii)	Disputed Indirect Tax Demand	**285.13**	Nil
iii)	Open import Licence	**41.53**	45.51
iv)	Claims against the Company not acknowledged as debt.	**704.25**	584.83
v)	Other Matters disputed	**103.93**	110.83

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**	38.12
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.	**Nil**	4.36
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)	**4.49**	16.97
B	**Other Commitments**		
i)	Undertaking given by the Company in favour of a lender to repay the loan to the extent of 50% of sale proceeds of the Assets sold.	**1,236.82**	1,236.82
ii)	Commitment to the V Privilege Scheme members for providing Hospitality services during the year 2015-16 as per membership sale value	**95.47**	163.23

iii) The Company has put up an STP Unit on an adjacent immovable property owned by Kamats Amusements Private Limited in earlier years for its Orchid Hotel, Mumbai and continues to use the same. The Company is obliged to compensate appropriately to the owner for such user of property as explained in the Explanatory Statement under section 393 of the Companies Act ,1956 to the notice convening the meeting of the shareholders of the Company on 22nd October 2005 pursuant to Bombay High Court Order dated 2nd September 2005 and as approved by the Board of Directors of the Company in the meeting held on 26th July 2008. The modalities are being worked out.

31 Earnings Per Share

Basic and Diluted

	YEAR ENDED	
Particulars	**31ST MARCH, 2016**	**31ST MARCH, 2015**
Net Profit / (Loss) after tax as per Statement of Profit and Loss (₹ in Lakhs)	**(8,528.27)**	(5,915.69)
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**	2,35,84,058
Weighted average no. of Shares – Diluted	**2,35,84,058**	2,35,84,058
Basic E.P.S. (₹) :	**(36.16)**	(25.08)
Diluted E.P.S. (₹):	**(36.16)**	(25.08)

32 Segment Reporting

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

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

33 Related Party Disclosures:

Related Parties where control exists:

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

Orchid Hotels Pune Private Limited

Fort Jadhav Gadh Hotels Private Limited

Fort Mahodadhinivas Palace Private Limited

Kamats Restaurant (India) Private Limited

Green Dot Restaurants Private Limited

(b) **Jointly Controlled Entity:**

Ilex Developers & Resorts Limited (Joint Venture)

(c) **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

Treeo Resort Private Limited

(d) Key Management Personnel and their relatives:

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

Mr. Vikram V. Kamat - Executive Director (Resigned during the previous year as Executive Director, who is also a relative.)

Mrs. Vidya V. Kamat - Relative

Mr. Vishal V. Kamat - Chief Executive Officer of Fort Jadhavgadh, Pune and a relative

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

Vithal V. Kamat HUF

(f) Summary of transactions during the year with Related Parties entered into on commercial basis in the interest of the Company and approved by the Board and status of outstanding balances as on 31st March, 2016:

(₹ 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	180.83 **(109.65)	7.74 (16.99)	Nil (Nil)	Nil (Nil)
2	Sale of old used Fixed Assets and miscellaneous items of circulating stock and stores	Nil (Nil)	13.44 (Nil)	Nil (Nil)	Nil (Nil)
3	Consultancy Fees / Fees paid towards hotel property under Business Contract Agreement / Rent paid for Restaurant Premises	37.67 (31.11)	98.25 (84.31)	Nil (Nil)	Nil (Nil)
4	Interest earned on Loans & Advances given (Refer Note 14.1)	99.59 (95.13)	Nil (Nil)	Nil (Nil)	Nil (Nil)
5	Purchase of goods & services	Nil (Nil)	Nil (Nil)	12.50 (15.45)	Nil (Nil)
6	Remuneration to Key Management Personnel	Nil (Nil)	Nil (Nil)	134.63 (142.01)	Nil (Nil)
7	Loan given	Nil (1,229.66)	Nil (Nil)	Nil (Nil)	Nil (Nil)

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in Lakhs)

Sr. No.	Nature of transactions	Subsidiary Company	Joint Venture & specified companies	Key Management Personnel & relatives *	Other related parties
8	Share Application money Refunded	Nil	Nil	Nil	Nil
		(Nil)	(185.00)	(Nil)	(Nil)
9	Loans and Advances Recovered during the year	62.49	Nil	Nil	Nil
		(464.53)	(Nil)	(Nil)	(Nil)
10	Deposits Refunded during the year	Nil	Nil	Nil	Nil
		(Nil)	(Nil)	(Nil)	(25.00)
11	Deposits Recovered during the year	Nil	2.25	Nil	Nil
		(Nil)	(Nil)	(Nil)	Nil
12	Interest Recovered during the Year	Nil	Nil	Nil	Nil
		(9.51)	(Nil)	(Nil)	(Nil)
13	**Balance outstanding at the year end:**				
(a)	Investments in Shares / Share application money	9,331.75	533.00	Nil	Nil
		(9,331.75)	(533.00)	(Nil)	(Nil)
(b)	Loan to Subsidiary (Refer Note 15)	20,474.06	Nil	Nil	Nil
		(20,474.06)	(Nil)	(Nil)	(Nil)
(c)	Accounts receivable (Refer Note 19 and 22)	262.45	26.94	Nil	Nil
		(4,283.78)	(8.02)	(Nil)	(Nil)
(d)	Deposit paid includes Under Business Contract Agreements (Refer Note 16)	Nil	8,000.00	Nil	Nil
		(Nil)	(8,002.25)	(Nil)	Nil
(e)	Long Term Trade Deposit received towards Business Contract Agreement.(Refer Note 7)	Nil	80.00	Nil	Nil
		(Nil)	(80.00)	(Nil)	(Nil)
(f)	Amounts Payable (Note 10 and 11)	17.27	50.82	15.78	Nil
		(40.04)	(16.03)	(14.57)	(0.01)
(g)	Undertaking given by the Associate companies in favour of a lender towards repayment of loan from 50% of Sale Proceeds of their immovable properties.	Nil	4,213.18	Nil	Nil
		(Nil)	(4,213.18)	(Nil)	(Nil)
(h)	Corporate Guarantee issued by the Company in favour of banks on behalf of Subsidiary / Joint Venture Companies	20,434.00	1,000.00	Nil	Nil
		(20,434.00)	(1,000.00)	(Nil)	(Nil)
(i)	Corporate Guarantee / Personal Guarantee provided to the lenders (to the extent of loan outstanding at the year end)	Nil	35,842.61	66,545.47	Nil
		(Nil)	(36,454.19)	(61,110.32)	(Nil)
(j)	Corporate Guarantee / Personal Guarantee provided CDR obligation (to the extent of loan outstanding)	63,338.00	37,634.99	37,634.99	Nil
		(63,338.00)	(37,867.64)	(37,867.64)	(Nil)
(k)	Company has Mortgaged its Land and proposed additions to the Hotel Building at Bhubaneswar in favour of a Bank on behalf of an Associate Company.	Nil	799.68	Nil	Nil
		(Nil)	(799.68)	(Nil)	(Nil)

*Relatives of Key Management Personnel: Mrs. Vidya V. Kamat (wife of Dr. Vithal V. Kamat and mother of Mr. Vikram V. Kamat), 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.

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(I) Statement of Material Transactions:

(₹in Lakhs)

Name of Related Party	YEAR ENDED 31ST MARCH, 2016	YEAR ENDED 31ST MARCH, 2015
Subsidiaries		
Orchid Hotels Pune Private Limited		
- Sale of Goods and Services	**180.83**	109.65
- Amounts Recovered during the year	**62.49**	62.53
- Investment balance at year end (Provision made for dimunition in the value ₹ 9,327.75 lakhs (Previous year ₹ Nil))	**9,327.75**	9,327.75
- Loan given balance at year end (₹ 19,646.40 lakhs considered doubtful (Previous year ₹ 19,646.40 lakhs)) (Maximum Balance ₹ 19,646.40 lakhs)	**19,646.40**	19,646.40
- Amounts recoverable at year end (₹ 4,198.16 Lakhs considered doubtful in Previous year)	**87.19**	4,198.16
- Amounts Payable	**Nil**	31.14
- 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.	**26,258.88**	24,755.00
Jointly Controlled Entity		
ILEX Developers & Resorts Limited		
- Sale of Goods and Services	**7.74**	13.54
- 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 (Net)	**8.68**	8.02
-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	**37,634.99**	37,867.64
Specified Companies:		
Plaza Hotels Private Limited		
- Fees paid towards hotel property under Business Contract Agreement	**89.39**	74.65
- Deposit paid Under Business Contract Agreements for hotels	**8,000.00**	8,000.00
- Amounts Payable	**45.99**	16.03
- Corporate Guarantee provided by the above for securing loans taken by the Company	**35,842.61**	36,454.19
-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	**37,634.99**	37,867.64
Kamats Holiday Resorts (Silvassa) Limited		
- Sale of Goods and Services	**Nil**	Nil
-Joint Corporate Guarantee issued to Banks/Lenders on behalf a holding company as per CDR obligatons with other Associate Companies	**37,634.99**	37,867.64
Talent Hotels Private Limited		
- Undertaking given towards repayment of Loan	**2,375.26**	2,375.26
Vits Hotels (Bhubaneshwar) Private Limited.		
- Share Application money Refunded during the year	**Nil**	185.00
Treeo Resort Private Limited		
-Sale of old used Fixed Assets and miscellaneous items of circulating stock and stores	**13.44**	Nil
-Rent paid for Restaurant Premises	**8.86**	9.66
-Security Deposit Recovered during the year	**2.25**	Nil
- Security Deposit given balance at the year end	**Nil**	2.25
- Amounts Receivable	**13.44**	Nil

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in Lakhs)

Name of Related Party	YEAR ENDED	
	31ST MARCH, 2016	31ST MARCH, 2015
Fort Mahodadhinivas Palace Private Limited.		
- Fees paid towards hotel property under Business Contract Agreement	**37.68**	31.11
- Interest earned on Loans and advances given	**99.59**	95.13
- Loans and Advances given during the year	**Nil**	1,229.66
- Interest Recovered during the year.	**Nil**	9.51
- Loans and Advances recovered during the year	**Nil**	402.00
- Loan given balance at year end (Maximum Balance ₹ 827.66 lakhs)	**827.66**	827.66
- Amount recoverable towards Interest on Loan.	**175.25**	85.62
- Amounts payable against Royalty	**17.27**	8.90
- Joint Corporate Guarantee issued to Banks/Lenders on behalf a holding company as per CDR obligatons with other Associate Companies	**37,634.99**	37,867.64
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	**37,634.99**	37,867.64
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	**37,634.99**	37,867.64
Key Management Personnel and relatives:		
Dr. Vithal V. Kamat		
- Remuneration (Refer Note. 26.3)	**105.62**	105.57
- Royalty paid for brand	**12.51**	15.45
- Personal Guarantee provided by him for securing loans taken by the Company	**51,194.04**	48,782.25
- Joint Personal Guarantee issued to Banks/Lenders on behalf Company as per CDR obligatons with executive Director	**37,634.99**	37,867.64
Vishal V. Kamat		
- Remuneration	**29.01**	15.05
- Personal Guarantee provided by him for securing loan taken by the Company	**4,292.38**	1,413.31
Vikram V. Kamat		
- Remuneration	**Nil**	21.38
- Personal Guarantee provided by him for securing loan taken by the Company	**11,059.05**	10,914.75
-Joint Personal Guarantee issued to Banks/Lenders on behalf Company as per CDR obligatons	**37,634.99**	37,867.64
Other Related Parties:		
Vithal V. Kamat-HUF		
- Deposit refunded during the year	**Nil**	25.00

34 Leases

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

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

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

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in Lakhs)

Particulars	YEAR ENDED	
	31ST MARCH, 2016	31ST MARCH, 2015
Payable within one year -	**48.08**	71.92
Payable later than one year but not later than five years -	**162.09**	195.10
Payable after five years -	**306.44**	342.67

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, 2016	31ST MARCH, 2015
Receivable within one year -	**184.10**	204.52
Receivable later than one year but not later than five years -	**143.53**	194.11

34.1 The Company has given a portion of its hotel buildings at the Orchid, Mumbai and VITS, Mumbai to party to conduct, operate and manage the banquet halls and restaurant under lease agreements in the previous year. The Company is entitled to a fixed fee of seven percent of the annual turnover of the banquet halls and restaurant. The Company has received the fee of ₹ 120.74 lakhs (Previous Year ₹ 96.79 lakhs) for the year which is included in Note 23.

35 Joint venture

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

(₹ in Lakhs)

Name of the Company	Country of Incorporation	Holding (%)	Amount of Interest based on the audited results for the year ended 31st March 2016			
			Assets	Liabilities	Income	Expenditure
Ilex Developers &	India	32.92	986.79	752.10	224.78	307.47
Resorts Limited		(32.92)	(1,109.29)	(724.73)	(315.56)	(304.65)
(Refer Note 35.1)						

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

35.2 Figures in the bracket are for previous year.

36 Additional Information

a Value of Imports

(₹ in Lakhs)

Particulars	YEAR ENDED	
	31ST MARCH, 2016	31ST MARCH, 2015
Provisions , Wines etc.	**159.04**	26.99
Spare Parts	**Nil**	Nil
Capital Goods	**47.15**	25.46

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

b Expenditure in Foreign Currency (on accrual basis)

(₹ in Lakhs)

Particulars	YEAR ENDED 31ST MARCH, 2016	YEAR ENDED 31ST MARCH, 2015
Commission to Travel Agents, Membership and Subscription, Internet / Website Charges, Bank Charges etc.	**195.42**	98.14

c Dividend to Non-resident Shareholders:

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

(₹ in Lakhs)

Particulars	YEAR ENDED 31ST MARCH, 2016	YEAR ENDED 31ST MARCH, 2015
(a) Number of non-resident shareholders	**288**	304
(b) Number of Equity Shares held	**77,37,273**	80,24,632
(c) Amount of Dividend remittable and paid	**Nil**	Nil
(d) Year to which dividend relates	**NA**	NA

d Earnings in Foreign Exchange

(₹ in Lakhs)

Particulars	YEAR ENDED 31ST MARCH, 2016	YEAR ENDED 31ST MARCH, 2015
For Hotel Services rendered (As certified by the Management)	**1,507.74**	1,491.72

37 Pursuant to notification of Schedule II to the Companies Act, 2013 with effect from 1st April, 2014, depreciation for the Previous year ended 31st March, 2015 was 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 Previous year ended 31st March, 2015 was 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) was recognized in the opening balance of retained earnings in respect of assets in respect of which useful life is Nil. Depreciation of ₹ 146.01 lakhs (Previous year ₹ Nil) which was found excess provided in respect of certains fixed assets in the previous year has been written back in this year and included in Other Income in Note 24.

38 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 participated 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 borrowings by 31st March, 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 23rd July, 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 participate in CDR package. 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. The Company has disputed the same. One of the lenders filed suit for recovery of the entire dues during the financial year, which is pending before the Bombay High Court and the Company has disputed the claim. In terms of interim orders passed by the High Court the Company

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

has been depositing proceeds of its credit card collections with the Prothonotary & Senior Master of the High Court which aggregated to ₹ 3.050.24 Lakhs till 31st March, 2016. Final adjustment will be made on disposal of the legal case. Another lender has filed application before the Debt Recovery Tribunal (DRT) during the year for recovery of entire loan, interest and charges and made a claim of ₹ 6,356.49 lakhs upto August, 2015 with further interest and charges, which is disputed by the Company. The Company has made provision for interest on this loan as per loan agreement and final adjustment will be made on disposal of the application in due course of time. Reference is invited to Notes 6.5 and 30 regarding disputed interest and charges aggregating to ₹ 704.25 Lakhs (Previous year ₹530.03 lakhs), which have not been provided in the accounts.

39 The Company has incurred losses in the previous year as well as in the year under reference and its accumulated losses are in excess of its paid up Capital and reserves and surplus. As explained in Note 38, some of the lenders have recalled their loans. However, considering the future business prospects, the fact that four major lenders have assinged 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.

40 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 : 28th May, 2016

For and on behalf of Board of Directors

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

Dinkar D. Jadhav
Director
(DIN : 01809881)

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 Mahodadhinivas 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 & Resorts Limited, comprising of the Consolidated Balance Sheet as at 31st March, 2016, 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. 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, 2016, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

Attention is invited to:

1. Note 4.5 to the financial statements with regard to non-provision of interest liability of ₹ 277.27 lakhs, in respect of two lenders as the same is disputed by the Holding Company.
2. Note 35 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 ₹ 12,821.42 lakhs at 31st March, 2016, total revenues (after eliminating intra-group transactions) of ₹3,263.86 lakhs and net cash inflows amounting to ₹ 72.13 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entity, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and jointly controlled entity, is based solely on the reports of the other auditors.

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

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report, to the extent applicable, that:
   - (i) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit of the above consolidated financial statements.
   - (ii) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
   - (iii) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
   - (iv) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
   - (v) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 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, 2016 from being appointed as a director in terms of Sub-Section (2) of Section 164 of the Act.
   - (vi) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the jointly controlled entity and the operating effectiveness of such controls, refer to our separate report in “Annexure A”:
   - (vii) With respect to the other matters to be included in the Auditors’ Report in accordance with Rule 11 of the Companies (Audit and Auditor’s) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
     - (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. 29 and 35 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: 28th May, 2016

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

The Annexure referred to in paragraph 1 (vii) under 'Report on Other Legal and Regulatory Requirements' in our report of even date to the members of KAMAT HOTELS (INDIA) LIMITED for the year ended 31st March, 2016. We report that:

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

In conjunction with our audit of the consolidated financial statements of Kamat Hotels (India) Limited ("the Holding Company") as of and for the year ended 31st March, 2016 we have audited the internal financial controls over financial reporting of the Holding Company and its subsidiary companies and jointly controlled entity, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained and audit evidence obtained by other auditor in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's, its subsidiary company's and jointly controlled entity's, which are companies incorporated in India, internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company, its subsidiary companies and the jointly controlled entity, which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Holding Company, its subsidiary companies and the jointly controlled entity, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

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

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

J.G.VERMA
Partner
Membership No. 5005

Mumbai: 28th May, 2016

KAMAT HOTELS (INDIA) LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016

(₹) in lakhs

PARTICULARS	NOTE	AS AT 31ST MARCH, 2016		AS AT 31ST MARCH, 2015
EQUITY AND LIABILITIES:				
Shareholders' Funds:				
(a) Share Capital	2	**2,417.26**		2,417.26
(b) Reserves and Surplus	3	**(763.59)**		3,178.36
			1,653.67	5,595.62
Non-Current Liabilities:				
(a) Long-Term Borrowings	4	**30,127.93**		21,286.54
(b) Deferred Tax Liabilities (Net)	5	**1,757.39**		-
(c) Other Long-Term Liabilities	6	**1,777.65**		2,870.51
(d) Long-Term Provisions	7	**189.83**		189.30
			33,852.80	24,346.35
Current Liabilities:				
(a) Short-Term Borrowings	8	**772.43**		704.41
(b) Trade Payables	9	**3,656.70**		2,117.27
(c) Other Current Liabilities	10	**45,448.90**		52,551.45
(d) Short-Term Provisions	11	**158.72**		152.26
			50,036.75	55,525.39
TOTAL			**85,543.22**	**85,467.36**
ASSETS:				
Non-Current Assets:				
(a) **Fixed Assets:**				
(i) Tangible Assets	12	**65,209.69**		67,582.34
(ii) Intangible Assets	12	**33.63**		36.33
(iii) Capital Work-In-Progress	12	**40.19**		18.84
(iv) GoodWill on Consolidation		**3,218.50**		3,218.50
		68,502.01		70,856.01
(b) Non-Current Investments	13	**15.18**		15.09
(c) Deferred Tax Assets (Net)	5	**-**		1,625.27
(c) Long-Term Loans and Advances	14	**1,152.79**		694.34
(d) Other Non-Current Assets	15	**8,230.69**		8,284.14
			77,900.67	81,474.85
Current Assets:				
(a) Current Investments	16	**4.16**		4.70
(b) Inventories	17	**568.95**		527.89
(c) Trade Receivables	18	**1,095.34**		1,256.26
(d) Cash and Bank Balances	19	**1,352.73**		842.81
(e) Short-Term Loans and Advances	20	**4,488.73**		1,294.75
(f) Other Current Assets	21	**132.64**		66.10
			7,642.55	3,992.51
TOTAL			**85,543.22**	**85,467.36**
SIGNIFICANT ACCOUNTING POLICIES	1			
THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS	2 to 39			

As per our report of even date

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

J. G. Verma
Partner
Membership No. 5005

Mumbai : 28th May, 2016

For and on behalf of Board of Directors

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

Dinkar D. Jadhav
Director
(DIN : 01809881)

KAMAT HOTELS (INDIA) LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in Lakhs)

PARTICULARS	NOTE	YEAR ENDED 31ST MARCH, 2016	YEAR ENDED 31ST MARCH, 2015
INCOME:			
Revenue from Operations	22	**18,344.41**	16,364.40
Less: Excise Duty		**1.13**	0.24
		18,343.28	16,364.16
Other Income	23	**736.79**	528.88
Total Revenue		**19,080.07**	**16,893.04**
EXPENSES:			
Cost of Food and Beverages Consumed	24	**1,865.91**	1,733.28
Employee Benefit Expense	25	**4,383.52**	3,850.37
Other Expenses	26	**8,148.25**	7,523.02
Total Expenses		**14,397.68**	13,106.67
Profit/ (Loss) before Finance Costs, Depreciation, Exceptional Items and Tax:		**4,682.39**	**3,786.37**
Less: Finance Costs	27	**4,067.18**	8,054.84
Depreciation and Amortisation Expenses (Refer Note 34)	12	**2,527.10**	3,084.31
Profit/ (Loss) Before Exceptional Items and Tax		**(1,911.89)**	**(7,352.78)**
Exceptional Items	28	**1,235.45**	-
Profit/ (Loss) Before Tax		**(676.44)**	**(7,352.78)**
Tax Expense:			
Current Tax		**-**	118.13
Prior Period Adjustments - Income Tax		**(117.17)**	26.09
Deferred Tax	5	**3,382.66**	(816.72)
		3,265.49	(672.50)
Less: Excess MAT Credit Entitlement - Earlier years		**-**	155.96
		3,265.49	(828.46)
Profit/(Loss) for the year		**(3,941.93)**	**(6,524.32)**
Earning Per Equity Share of face value of ₹ 10/- each			
Basic (In ₹)	30	**(16.71)**	(27.66)
Diluted (In ₹)	30	**(16.71)**	(27.66)
SIGNIFICANT ACCOUNTING POLICIES	1		
THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS	2 to 39	**.**	

As per our report of even date

For and on behalf of Board of Directors

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

J. G. Verma
Partner
Membership No. 5005

Mumbai : 28th May, 2016

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

Dinkar D. Jadhav
Director
(DIN : 01809881)

KAMAT HOTELS (INDIA) LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in Lakhs)

	PARTICULARS	YEAR ENDED 31st March 2016	YEAR ENDED 31st March 2015
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Profit / (Loss) for the year before tax and adjustments	**(676.44)**	(7,352.78)
	Adjustments for:		
	Depreciation	**2,527.10**	3,084.31
	Amortisation of Advance Time Share Membership	**(73.86)**	(73.86)
	Amortsation of Preliminary and Share issue expenses	**0.07**	0.07
	Excess Provision of Interest of earlier years written back	**(745.83)**	-
	Excess Provision of Depreciation Written Back	**(146.01)**	-
	(Profit) / Loss on Sale/ Discard of Fixed Assets / Operating Supplies	**(442.30)**	(251.02)
	Loss on Diminution of Investments	**0.53**	0.31
	Liabilities and Provisions written Back (Net)	**(190.86)**	(48.43)
	Provision for Employee Benefits	**60.67**	95.15
	Provision for Wealth Tax	**-**	0.83
	Provision for Doubtful Debts, Advances and Bad Debts	**188.09**	663.65
	Dividend income	**(0.53)**	(0.50)
	Interest income	**(133.15)**	(52.07)
	Interest Expenses	**4,067.19**	8,054.84
	Operating profit before working capital changes	**4,434.67**	**4,120.50**
	Trade Receivables and Loans and Advances	**(176.67)**	(900.52)
	Inventories	**(41.05)**	(15.80)
	Trade Payables and Provisions	**1,890.72**	(324.47)
	Cash generated from operations	**6,107.67**	**2,879.71**
	Direct taxes (Net)	**(198.30)**	(18.33)
	Net cash generated from operating activities	**5,909.37**	**2,861.38**
B.	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	Purchase of Fixed Assets	**(268.82)**	(110.24)
	Sale of Fixed Assets	**548.04**	446.46
	Investments Made during the Year	**(0.10)**	-
	Movement in Long term loans and advances	**-**	(21.31)
	Fixed Deposit with Bank	**(617.76)**	-
	Margin Money with Banks	**(11.81)**	95.32
	Interest Received	**64.18**	51.81
	Dividend Received	**0.53**	0.50
	Net cash generated from / (used in) investing activities	**(285.74)**	**462.54**
C.	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Proceeds from long term borrowings	**19.83**	16.78
	Repayment of long term borrowings	**(2,050.83)**	(540.69)
	Proceeds from short term borrowings	**-**	18.54
	Repayment of short term borrowings	**(65.24)**	(62.86)
	Deposits with Prothonotary & Senior Master, Bombay High Court (Refer Note 5.5)	**(3,050.24)**	-
	Share Application Money Refunded	**-**	(185.00)
	Interest paid	**(574.98)**	(2,538.06)
	Dividend paid	**(4.07)**	(3.48)
	Net cash generated from / (used in) financing activities	**(5,725.53)**	**(3,294.77)**

KAMAT HOTELS (INDIA) LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016 (contd...)

(₹ in Lakhs)

	YEAR ENDED	
	31st March 2016	**31st March 2015**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**(101.89)**	29.14
CASH AND CASH EQUIVALENTS AS AT 01.04.2015 (Opening Balance)	**734.27**	705.13
CASH AND CASH EQUIVALENTS AS AT 31.03.2016 (Closing Balance)	**632.38**	**734.27**
Components of Cash and Cash Equivalents		
- Balance with Banks	**581.68**	683.51
-Cash on hand	**38.65**	47.92
- Cheques on hand	**11.71**	2.05
- Foreign Exchange in hand	**0.34**	0.79
Total Cash and Cash Equivalents (Note No. 19)	**632.38**	**734.27**
SIGNIFICANT ACCOUNTING POLICIES	Note 1	
THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS	Note 2 to 39	

As per our report of even date

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

J. G. Verma
Partner
Membership No. 5005

Mumbai : 28th May, 2016

For and on behalf of Board of Directors

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

Dinkar D. Jadhav
Director
(DIN : 01809881)

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

1 Principles of Consolidation and Significant Accounting Policies:

1.1 Principles of Consolidation:

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

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

The financial statements of the Holding Company and its Subsidiaries have been combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and unrealized profits or losses as per Accounting Standard 21 'Consolidated Financial Statements' as notified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and as per the provisions of the Companies Act, 2013. Interests in Jointly Controlled Entity have been accounted for by using the proportionate consolidation method as per Accounting Standard 27 'Financial Reporting of Interest in Joint Ventures' as notified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and as per the provisions of the Companies Act, 2013. The financial statements of the Subsidiaries and the Jointly Controlled Entity used in the consolidation are drawn upto the same reporting date as that date of the Holding Company, i.e. 31st March, 2016. 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)	Fort Mahodadhinivas Palace Private Limited
Country of Incorporation :		India
Holding % :		100%
Name of the Company :	(5)	Green Dot Restaurants Private Limited
Country of Incorporation :		India
Holding % :		100%

ii) Jointly Controlled Entity:

Name of the Company :	(6)	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, 2016

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, 2016. The Holding Company and its Subsidiaries constitute 'the Group'. The consolidated financial statements are prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with accounting principles generally accepted in India ("Indian GAAP") and are in compliance with the Accounting Standards as notified under section 133 of the Companies Act, 2013 (read with Rule 7 of the Companies (Accounts) Rules, 2014) and guidelines issued by SEBI. The accounting policies adopted in the preparation of Consolidated Financial Statements are consistent with those of previous year.

1.3 Significant Accounting Policies:

1.3.1 Fixed Assets, Depreciation and Amortisation:

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

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

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

1.3.2 Impairment:

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

1.3.3 Leases:

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

1.3.4 Investments:

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

1.3.5 Inventories:

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

1.3.6 Revenue Recognition:

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

Sales and services are stated exclusive of taxes.

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

1.3.7 Export Benefits Entitlement:

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

1.3.8 Foreign Exchange Transactions:

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

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

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

1.3.9 Borrowing Costs:

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

1.3.10 Provisions, Contingent Liabilities and Contingent Assets:

The Group and jointly controlled entity creates a provision where there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent Assets are neither recognized nor disclosed in the financial statements.

1.3.11 Employee Benefits:

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

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

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

1.3.12 Taxation:

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

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

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

1.3.14 Earnings Per Share:

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

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(₹) in lakhs

		AS AT 31ST MARCH, 2016	AS AT 31ST MARCH, 2015
2	**SHARE CAPITAL :**		
	AUTHORISED:		
	3,42,50,000 (Previous Year 3,42,50,000) Equity Shares of ₹ 10/- each.	**3,425.00**	3,425.00
		3,425.00	**3,425.00**
	ISSUED, SUBSCRIBED AND PAID UP		
	2,35,84,058 (Previous Year 2,35,84,058) Equity Shares of ₹ 10/- each, fully paid up	**2,358.41**	2,358.41
	Add: Forfeited Shares Account (Amount originally paid up)	**58.85**	58.85
	Total	**2,417.26**	**2,417.26**

2.1 Terms/ rights attached to equity shares

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

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

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

Name of Shareholder	AS AT 31ST MARCH, 2016		AS AT 31ST MARCH, 2015	
	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	**72,99,811**	**30.95**	76,28,149	32.34

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

Particulars	AS AT 31ST MARCH, 2016 No of Shares	AS AT 31ST MARCH, 2015 No of Shares
Equity Shares at the beginning of the year	**2,35,84,058**	2,35,84,058
Equity Shares at the end of the year	**2,35,84,058**	**2,35,84,058**

(₹) in lakhs

		AS AT 31ST MARCH, 2016	AS AT 31ST MARCH, 2015
3	**RESERVES AND SURPLUS:**		
	Capital Reserve:		
	As per last accounts	**13.87**	13.87
	Capital Redemption Reserve:		
	As per last accounts	**266.50**	266.50
	Securities Premium Account:		
	As per last accounts	**14,986.74**	14,986.74
	General Reserve:		
	As per last accounts	**-**	3,767.09
	Less: Transferred to Surplus/ (Deficit) in the Statement of Profit and Loss	**-**	3,767.09
		-	-
	Amalgamation Reserve		
	As per last accounts (Refer Note 3.1)	**280.06**	280.06
		15,547.17	15,547.17
	Surplus/(Deficit) in the Statement of Profit and Loss		
	Surplus / (Deficit) brought forward from last year	**(12,368.83)**	(9,041.47)
	Add/ (Less): Additional Depreciation (Net of tax ₹ Nil) pursuant to enactment of Schedule II to the Companies Act 2013 (Refer Note 5.1)	**-**	(570.11)
	Add/ (Less) : Transferred from General Reserve	**-**	3,767.09
		(12,368.83)	(5,844.49)
	Add/ (Less): Profit / (Loss) for the year	**(3,941.93)**	(6,524.32)
		(16,310.76)	(12,368.83)
	Total	**(763.59)**	**3,178.36**

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

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

4 LONG-TERM BORROWINGS: **(₹ In Lakhs)**

		AS AT 31ST MARCH, 2016		AS AT 31ST MARCH, 2015	
		Non Current	Current	Non Current	Current
	SECURED:				
A	Term Loans from Banks (Refer Note 4.1 and 4.4)	**19,923.47**	**27,866.79**	15,773.27	32,399.46
B	Term Loans Under Structured Mezzanine Credit Facility from banks (Refer Note 4.2)	**1,399.50**	**5,560.77**	-	6,750.68
C	Term Loan from a Financial Institution- Assigned (Refer Note 4.3 and 4.4)	**4,014.38**	**278.00**	4,292.38	176.00
D	Term Loans from Others (Refer Note 4.3 and 4.4)	**3,550.00**	**1,790.78**	-	5,606.18
	UNSECURED:				
	from Related Parties (Refer Note 4.10)	**33.25**	**-**	26.99	-
	from Other (Refer Note 4.10)	**1,207.33**	**-**	1,193.90	-
	Total	**30,127.93**	**35,496.34**	**21,286.54**	**44,932.32**

4.1 (a) Term loans ₹ 29,609.62 Lakhs (Previous Year ₹ 29,958.04 Lakhs) from Banks (including assigned loans of ₹ 21,240.00 Lakhs (Previous Year ₹ 21550.17 Lakhs) in favour of certain Assets Reconstruction Companies) are secured by a first ranking pari-passu charge on lands at "The Orchid" at Vile Parle (East) (owned by Plaza Hotels Private Limited) together with hotel buildings and all appurtenances thereon, first / second ranking pari-passu mortgage on Company's immovable property being Hotel "VITS" at Andheri (East), hypothecation on movable fixed assets of Company's hotels at Fort Jadhav Gadh Pune and VITS Nashik, Credit Card receivables, equitable mortgage of hotel property at Lotus Goa, pledge of Equity Shares of the Company held by promoters, pledge of Equity Shares of the Subsidiary companies viz. Orchid Hotels Pune Pvt. Ltd., Kamats Restaurants (India) Pvt. Ltd., Fort Jadhavgadh Hotels Pvt. Ltd. and Fort Mahodadhinivas Palace Pvt. Ltd. and certain Associate Companies viz. Ilex Developers & 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 ₹ 17,556.91 Lakhs (Previous year ₹ 17,573.09 Lakhs) taken by a subsidiary company from a bank is secured by first charge on all movable and immovable fixed assets of the Subsidiary company both present and future, secured by exclusive charge by way of hypothetication 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 ₹ 1,894.70 Lakhs (Previous Year ₹ 1,948.94 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 Venture 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/premuim, (v) Concessional rate of interest @12.50% p.a. is applicable on loan.

4.2 Term Loans under Structured Mezzanine Credit Facility from Banks (including assigned loans of ₹ 1,489.00 Lakhs (Previous Year ₹ 1,279.41 Lakhs) in favour of certain Assets Reconstruction Companies) are secured by first ranking pari-passu charge on lands at "The Orchid" at Vile Parle (East) (owned by Plaza Hotels Private Limited) together with hotel buildings and all appurtenances thereon, Credit Card receivables personal and corporate guarantees of certain promoter directors and entities and certain other collateral securities.

4.3 Term loans from Financial Institution and Others (including assigned loans of ₹ 8,034.38 Lakhs (Previous Year ₹ 8,475.78 Lakhs) in favour of certain Assets Reconstruction Companies) are secured by first ranking pari-passu charge on lands at "The Orchid" at Vile Parle (East) (owned by Plaza Hotels Private Limited) together with hotel buildings and all appurtenances thereon, first / second ranking pari-passu mortgage on Company's immovable property being Hotel "VITS" at Andheri (East), hypothecation of all movable assets there at, Credit Card receivables, pledge of Equity Shares of the Company held by promoters, pledge of Equity Shares of the Subsidiary companies viz. Orchid Hotels Pune Pvt. Ltd., Kamats Restaurants (India) Pvt. Ltd., Fort Jadhavgadh Hotels Pvt. Ltd. and Fort Mahodadhinivas Palace Pvt. Ltd. and certain Associate Companies viz. Ilex Developers & 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.

4.4 The Corporate Debt Restructuring (CDR) Scheme sanctioned by the Corporate Debt Restructuring Empowered Group vide sanction letter dated 12th March, 2013 in respect of restructured debts of ₹ 33,636.36 lakhs from some of the lenders failed in the previous year 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

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

in Note 35 to Financial Statements the concerned lenders recalled their entire dues. Some of the lenders assigned their respective loans aggregating to ₹ 32,147.88 lakhs (Prev. Year ₹ 25,199.38 lakhs) to securitisation and asset reconstruction companies during the year and previous 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. These loans have been referred to as assigned loans.

4.5 In respect of loans from a lender (Previous year two lenders), no provision for interest aggregating to ₹ 277.27 lakhs (Prev. Year ₹ 530.03 lakhs) has been made for the year ended 31st March, 2015 and 31st March, 2016 respectively, as the Holding Company has not accepted their claims and matter was disputed and in one case pending before the Bombay High Court. In terms of interim orders passed by the Bombay High Court, the Holding Company has deposited an aggregate amount of Rs. 3,050.24 lakhs (Previous year ₹ Nil) with the Prothonotary & Senior Master till 31st March, 2016 which has been shown in Note 20. Adjustments, if any, will be made on reconcilication / settlement and disposal of the legal case filed by the lender.

4.6 Borrowings out of the aggregate amount of Non-Current and Current portion of ₹ 64,383.90 lakhs (Prev. Year ₹ 66,218,86 lakhs), to the extent of ₹ 34,425.44 lakhs (Prev. Year ₹ 39,720.91 laksh) are subject to confirmation from respective lenders, who have initiated recovery proceeding including under SARFAESI Act and The Negotiable Instruments Act 1881.

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

	Rate of Interest	Maturity Profile			(₹ In Lakhs)
	(p.a)	1-2 Years	2-3 Years	3-4 Years	4 Years & Above
Term Loans from Banks	Not applicable	2,015.97	13,941.58	2,580.53	1,385.40
Term Loans Under Structured Mezzanine Credit Facility from banks	Not applicable	118.50	232.00	349.00	700.00
Term Loan from a Financial Institution	Not applicable	327.00	1,946.00	1,741.38	-
Term Loans From Others	Not applicable	420.00	572.00	572.00	1,986.00

4.8 Out of the above loans, comprising of both non-current and current portion, loans aggregating to ₹ 64,383.90 lakhs (Previous year ₹ 62,508.85 lakhs) have been guaranted by directors and others.

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

(₹ In Lakhs)

	31st March, 2016		
	Current	Interest	Period of delays From - To Days
A Term Loans from Banks	27,363.43	13,315.67	1 - 1005
B Term Loans under Structured Mezzanine Credit Facility from Banks	5,471.27	1,754.38	1 - 671
C Term Loan from a Financial Institution	-	-	-
D Term Loans From Others	1,598.78	504.44	1 - 671

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

(₹) in lakhs

		AS AT 31ST MARCH, 2016	AS AT 31ST MARCH, 2015
5	**DEFERRED TAX LIABILITY:**		
	Deferred tax Liability		
	Related to Depreciation on Fixed Assets	**10,245.98**	7,647.72
	Total	**10,245.98**	**7,647.72**
	Deferred tax Assets		
	Expenses allowable for tax purpose on payment basis	**5,107.89**	2,619.59
	Provision for Employee Benefits	**102.40**	106.83
	Provision for Doubtful Debts	**401.05**	346.80
	Merger Expenses	**-**	1.07
	Unabsorbed Depreciation /Business Loss	**2,877.25**	6,198.70
	Total	**8,488.59**	9,272.99
	Deferred Tax Liability (net) after adjustments	**1,757.39**	**(1,625.27)**
	Incremental Deferred Tax (asset) / charge for the year (Refer Note 5.1)	**3,382.66**	**(816.72)**

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

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(₹) in lakhs

		AS AT 31ST MARCH, 2016	AS AT 31ST MARCH, 2015
6	**OTHER LONG-TERM LIABILITIES:**		
	Deferred Sales Tax Liability (Refer Note 6.1)	**50.00**	75.00
	Security Deposits - Others	**512.48**	474.29
	Security Deposits from Joint Venture Company (Refer Note 6.2)	**53.66**	53.66
	Time Share Membership- Refundable	**521.27**	1,553.46
	Income received in Advance (Time Share)	**640.24**	714.10
	Total	**1,777.65**	**2,870.51**

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 Retirement Gratuity (Refer Note 25.1.2)	**20.72**	14.38
	Provision for Employee Benefits- Earned Leave (Refer Note 25.1.3)	**169.11**	174.92
	Total	**189.83**	**189.30**

8	**SHORT-TERM BORROWINGS:**		
	SECURED:		
	Working Capital Facility from a Bank (Refer Note 8.1)	**772.43**	704.41
	Total	**772.43**	**704.41**

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 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.

9	**TRADE PAYABLES:**		
	Micro, Small and Medium Enterprises (Refer Note 9.1)	**24.62**	9.60
	Others	**3,562.48**	2,073.55
	Payable to related parties	**69.60**	34.12
	Total	**3,656.70**	**2,117.27**

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

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:

(₹) in lakhs

Particulars	AS AT 31ST MARCH, 2016	AS AT 31ST MARCH, 2015
Dues remaining unpaid at the year end:		
- Principal	**24.62**	9.60
- Interest	**15.91**	13.77
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.	**2.14**	4.78
Amount of interest accrued and remaining unpaid at the year end	**15.91**	13.77
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	**0.95**	0.10

10	**OTHER CURRENT LIABILITIES:**		
	Current Maturities of Long-Term Debts:		
	Term Loan Banks (Refer Note 4.1 and 4.4)	**27,866.79**	32,399.46
	Term Loans under Structured Mezzanine Credit Facility from banks (Refer Note 4.2)	**5,560.77**	6,750.68
	Term Loan from a Financial Institution (Refer Note 4.3 and 4.4)	**278.00**	176.00
	Term Loans from Others (Refer Note 4.2, 4.3 and 4.4)	**1,790.78**	5,606.18
		35,496.34	44,932.32
	Creditors for Capital Expenditure	**102.15**	191.27
	Advance from customers	**305.75**	337.48
	Income Received in Advance (Time Share)	**73.86**	73.86
	Income Received in Advance (Others)	**76.18**	71.83
		150.04	145.69
	Bank Balance Overdrawn	**5.69**	19.52
	Interest Accrued And Due	**6,733.94**	5,496.20
	Interest Accrued But Not Due	**158.97**	112.61
		6,892.91	5,608.81
	Unpaid / Unclaimed Dividends (Refer Note 10.1)	**2.10**	6.16
	Other Payables (Refer Note 10.2)	**2,493.92**	1,310.20
	Total	**45,448.90**	**52,551.45**

10.1 There is no amount due and outstanding to be credited to Investor Education and Protection Fund as on 31st March , 2016

10.2 Includes employees dues, statutory dues and security deposits.

11	**SHORT-TERM PROVISIONS:**		
	Provision for Employee Benefits- Gratuity (Refer Note 25.1.2)	**97.07**	95.34
	Provision for Employee Benefits- Earned Leave (Refer Note 25.1.3)	**61.65**	56.09
	Provision for Wealth Tax (Net of payments)	**-**	0.83
	Total	**158.72**	**152.26**

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

12. FIXED ASSETS :

(₹ in Lakhs)

Description	GROSS BLOCK-COST / BOOK VALUE				DEPRECIATION / AMORTISATION					NET BLOCK	
	As at 1st April, 2015	Additions / adjustments during the year	Deductions / adjustments during the year	As at 31st March , 2016	As at 1st April, 2015	For the year	Depreciation Adjustment in Opening Retained Earning (Refer Note 34)	Deductions / adjustments during the year	As at 31st March , 2016	As at 31st March , 2016	As at 31st March, 2015
I) **TANGIBLE**											
Land											
a) Freehold	3,279.45	-	-	**3,279.45**	**-**	-	-	-	**-**	3,279.45	**3,279.45**
b) Leasehold	31.27	-	-	**31.27**	**0.06**	-	-	-	**0.06**	31.21	**31.21**
Sub-Total	**3,310.72**	**-**	**-**	**3,310.72**	**0.06**	**-**	**-**	**-**	**0.06**	**3,310.66**	**3,310.66**
Buildings											
a) Freehold (Note 12.1)	9,557.71	1.55	220.92	**9,338.34**	**3,071.94**	218.81	-	90.45	**3,200.30**	6,138.04	**6,485.78**
b) Improvements to Buildings under Long Term Contracts	60,996.56	25.36	16.79	**61,005.11**	**8,459.46**	1,486.06	-	106.90	**9,838.62**	51,166.49	**52,537.09**
Sub-Total	**70,554.27**	**26.91**	**237.71**	**70,343.45**	**11,531.40**	**1,704.87**	**-**	**197.35**	**13,038.92**	**57,304.53**	**59,022.87**
Plant and Equipment	9,740.57	173.19	84.80	**9,828.96**	**4,998.54**	679.72	-	38.29	**5,639.98**	4,188.99	**4,742.03**
Furniture and Fixtures	2,380.39	21.18	72.38	**2,329.19**	**2,143.28**	90.52	-	64.92	**2,168.88**	160.31	**237.11**
Vehicles	239.13	5.11	14.77	**229.47**	**181.18**	15.47	-	14.29	**182.36**	47.11	**57.95**
Office Equipment	437.53	18.56	2.79	**453.29**	**225.81**	31.46	-	2.07	**255.20**	198.09	**211.72**
Sub-Total	**12,797.62**	**218.04**	**174.74**	**12,840.91**	**7,548.81**	**817.17**	**-**	**119.57**	**8,246.42**	**4,594.50**	**5,248.81**
Total	**86,662.61**	**244.95**	**412.45**	**86,495.08**	**19,080.27**	**2,522.04**	**-**	**316.92**	**21,285.40**	**65,209.69**	**67,582.34**
II) **INTANGIBLE**											
Computer Softwares	172.43	2.53	2.02	**172.95**	**136.10**	5.05	-	1.83	**139.32**	33.63	**36.33**
Total	**172.43**	**2.53**	**2.02**	**172.95**	**136.10**	**5.05**	**-**	**1.83**	**139.32**	**33.63**	**36.33**
Grand Total	**86,835.04**	**247.48**	**414.47**	**86,668.05**	**19,216.37**	**2,527.10**	**-**	**318.75**	**21,424.72**	**65,243.32**	**67,618.67**
	86,802.93	284.63	252.51	**86,835.05**	**15,603.43**	3,084.31	570.11	41.47	**19,216.38**	67,618.67	
Previous Year Total											
CAPITAL WORK-IN-PROGRESS											
Capital Work-In-Progress	18.84	21.34	-	**40.19**	**-**	-	-	-	**-**	40.19	**18.84**
(Note 12.2)											
Previous Year Total	177.63	49.87	208.66	**18.84**	**-**	-	-	-	**-**	18.84	**177.63**
NOTES:											

12.1 Buildings include (i) cost of residential flats of ₹ 1.96 lakhs (Prev. year ₹ 1.96 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 General Expenses ₹ 12.97 Lakhs (Prev. Year ₹ 12.97 Lakhs); Building Under Construction ₹ 14.48 Lakhs (Prev. Year ₹ 5.50 Lakhs); Computer Software ₹11.12 Lakhs (Prev. Year ₹ Nil); Electrical Fittings ₹ 1.26 Lakhs (Prev. Year ₹ Nil); and Plant & Machinery ₹ 0.36 Lakhs (Prev. year ₹ 0.36 Lakhs).

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(₹) in lakhs

	Number	Face value per unit		AS AT 31ST MARCH, 2016	AS AT 31ST MARCH, 2015
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	₹ 50	-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
			Investments in NSC	**0.09**	-
			Total Non-Current Investments	**15.18**	**15.09**
			Aggregate amount quoted Investments		
			-Cost	**0.03**	0.03
			-Market Value	**0.04**	0.02
			Aggregate amount of unquoted Investments		
			-Cost	**15.15**	15.06

13.1 Figures in brackets are in respect of previous year.

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(₹) in lakhs

		AS AT 31ST MARCH, 2016		AS AT 31ST MARCH, 2015
14	**LONG-TERM LOANS AND ADVANCES:**			
	(Unsecured, good, unless otherwise stated)			
	Capital Advances (include ₹ 188.65 Lakhs (Previous Year ₹ 208.65 Lakhs) considered doubtful)	**188.65**		213.42
	Less: Provision for doubtful advances	**188.65**		208.65
			-	4.77
	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 14.1)		**995.46**	642.47
	MAT Credit Entitlement		**155.96**	38.79
	Prepaid Expenses		**1.37**	8.31
	Total		**1,152.79**	**694.34**

14.1 Payment of Taxes is net of provision for tax of ₹ 1262.53 lakhs (Previous Year ₹ 373.22 lakhs) and further after adjusting ₹ 211.75 lakhs (Previous year ₹ 328.92 lakhs) for MAT credit availed during the previous year.

15	**OTHER NON-CURRENT ASSETS:**			
	(Unsecured, good, unless otherwise stated)			
	Security Deposits		**199.49**	247.62
	Long Term Deposits for Hotel and Other Properties (includes ₹ 488.62 Lakhs (Previous year ₹ 488.62 Lakhs) considered doubtful) (Refer note 15.1 and 15.2)	**8,519.62**		8,524.87
	Less: Provision for doubtful deposit	**488.62**		488.62
			8,031.00	8,036.25
	Preliminary Expenses		**0.20**	0.27
	Total		**8,230.69**	**8,284.14**

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

15.2 In terms of the Memorandum of Understanding with a Public Trust owning a plot of land in Mumbai, the 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 Holdling 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 Holdling Company has approached the High Court again for directions. Pursuant to the directions given by the High Court vide Order dated 4th February, 2016, sole Arbitrator has been appointed and the matter is pending before him. Adjustments, if any, to the expenditure written off and provision made as above, will be made on disposal / conclusion of the Arbitration Proceedings in the above matter.

(₹) in lakhs

		AS AT 31ST MARCH, 2016	AS AT 31ST MARCH, 2015
16	**CURRENT INVESTMENTS:**		
	Investments in Mutual Funds- Unquoted		
	SBI PSU FUND 50,000 (Previous Year 50,000) Units of ₹ 10/- each fully paid up	4.16	4.70
	(NAV - ₹ 4.16 Lakhs (Previous Year ₹ 4.69 Lakhs)		
	Total	**4.16**	**4.70**

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(₹) in lakhs

		AS AT 31ST MARCH, 2016	AS AT 31ST MARCH, 2015
17	**INVENTORIES:**		
	(At Lower of weighted average cost and net realisable value)		
	Raw Materials and Others		
	- Food and Beverages	**190.32**	185.18
	- Stores and Operating Supplies	**378.63**	342.71
	Total	**568.95**	**527.89**
18	**TRADE RECEIVABLES:**		
	(Unsecured, good, unless otherwise stated)		
	Unsecured:		
	- Over Six Months [₹ 1,160.18 Lakhs (Previous year ₹ 1,007.27 Lakhs) considered doubtful]	**1,169.30**	1,259.24
	- Other Debts [₹ Nil (Previous year ₹ Nil) (considered doubtful)]	**1,086.22**	1,004.29
		2,255.52	2,263.53
	Less: Provision for Doubtful Debts	**1,160.18**	1,007.27
	Total	**1,095.34**	**1,256.26**
18.1	Includes due from Ilex Developers & Resorts Limited (Joint Venture Company)	**3.98**	6.07
19	**CASH AND BANK BALANCES:**		
	Cash and Cash Equivalents:		
	- Balance with Banks	**581.68**	683.51
	- Cash on hand	**38.65**	47.92
	- Cheques on hand	**11.71**	2.05
	- Foreign Exchange in hand	**0.34**	0.79
	Sub-total	**632.38**	**734.27**
	Other Bank Balances:		
	- Margin Money in Fixed Deposits with Banks	**118.25**	102.38
	- Fixed deposit with Bank (Maturity Less than 12 Months)	**600.00**	-
	- Dividend Bank Accounts	**2.10**	6.16
	Sub-total	**720.35**	108.54
	Total	**1,352.73**	**842.81**
20	**SHORT TERM LOANS AND ADVANCES:**		
	(Unsecured, good)		
	- Loans and Advances to Employees	**1.08**	0.75
	- Deposits including Balances with Government and other agencies (Refer Note 4.5 & 23.2)	**3,095.40**	32.67
	- Advance Payment of Taxes (Net) (Refer Note 20.1)	**-**	192.31
	- Income Tax Refund Receivable	**39.69**	-
	- Prepaid Expenses	**181.31**	185.90
	- Others (Refer Note 20.2)	**1,171.25**	883.12
	Total	**4,488.73**	**1,294.75**

20.1 Payment of taxes is net of provision for tax of ₹ Nil (Previous Year ₹ 1,007.44 Lakhs).

20.2 Include advances to suppliers and for expenses.

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(₹) in lakhs

		AS AT 31ST MARCH, 2016	AS AT 31ST MARCH, 2015
21	**OTHER CURRENT ASSETS:**		
	- Interest Receivable on Bank Deposits and Investments	**132.57**	66.03
	- Preliminary Expenses	**0.07**	0.07
	Total	**132.64**	**66.10**

(₹) in lakhs

		FOR THE YEAR ENDED 31ST MARCH, 2016	FOR THE YEAR ENDED 31ST MARCH, 2015
22	**REVENUE FROM OPERATIONS:**		
	Revenue from Hotel Operations:		
	Rooms	**10,390.83**	9,001.52
	Food and Beverages	**6,217.58**	5,866.36
	Income from Time Share Business (Refer Note 22.1)	**393.24**	345.95
	Management and Consultancy Fees (Refer Note 33.1)	**234.64**	233.70
	Sub total 'A'	**17,236.29**	**15,447.53**
	Other Operating Revenue:		
	Swimming Pool and Health Club	**97.60**	76.64
	Conference and Banqueting Services	**394.04**	236.58
	Internet and Telephone	**50.24**	19.66
	Laundry Services	**69.39**	64.36
	Car Rental and Transportation	**81.42**	59.71
	Membership- Sales Promotion Schemes	**126.14**	139.29
	Licence Fees - Shops and Offices	**183.41**	157.04
	Miscellaneous Services	**105.88**	163.59
	Sub total 'B'	**1,108.12**	**916.87**
	Sub total 'A' + 'B'	**18,344.41**	**16,364.40**
	Less: Excise Duty relating to sale of Food and Beverages	**1.13**	0.24
	Total	**18,343.28**	**16,364.16**

22.1 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.

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(₹) in lakhs

		FOR THE YEAR ENDED		
		31ST MARCH, 2016		31ST MARCH, 2015
23	**OTHER INCOME:**			
	Interest Earned			
	Interest on Long Term Investments	**9.56**		8.44
	Interest from Banks on deposits	**46.20**		33.87
	Interest from Others (Refer Note 23.2)	**77.39**		9.76
			133.15	52.07
	Gain on Foreign Exchange		**11.40**	9.65
	Dividend on Long Term Investments		**0.53**	0.50
	Liabilities and Provisions written back (Refer Note 23.1)		**190.86**	48.43
	Excess Provision for depreciation written back		**146.01**	-
	Licence Fees-Other Properties		**75.72**	92.73
	Profit on disposal of fixed assets (Net)		**-**	251.02
	Recovery of excess Managerial remuneration of earlier year (Refer Note 25.3)		**-**	24.72
	Other Non Operating Income (Refer Note 23.3)		**179.12**	49.76
	Total		**736.79**	**528.88**

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

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

23.3 Includes ₹ 55.33 lakhs (Previous Year ₹ 30.33 lakhs) insurance claim and ₹ 20.39 lakhs (Previous year ₹ Nil) being MVAT refund.

24	**COST OF FOOD AND BEVERAGE CONSUMED:**		
	Opening Stock	**185.18**	166.12
	Add: Purchases (Refer Note 24.1)	**1,871.05**	1,752.34
		2,056.22	1,918.46
	Less: Closing Stock	**190.32**	185.18
	Total	**1,865.91**	**1,733.28**

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

24.2	Particulars of imported and indigenous food and beverages consumed:		
	Value - Imported	**159.04**	15.82
	- Indigenous	**1,706.87**	1,717.46
		1,866	**1,733**
	Percentage - Imported	**8.52%**	0.91%
	- Indigenous	**91.48%**	99.09%
		100.00%	**100.00%**

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(₹) in lakhs

		FOR THE YEAR ENDED	
		31ST MARCH, 2016	31ST MARCH, 2015
25	**EMPLOYEE BENEFIT EXPENSE:**		
	Salaries and Wages	**3,781.99**	3,300.23
	Contribution to Provident and other Funds	**202.99**	176.10
	Provision for Gratuity (Refer Note 25.1.2)	**25.14**	65.71
	Provision for Leave Encashment (Refer Note 25.1.3)	**35.53**	29.44
	Staff Welfare Expenses	**337.87**	278.89
	Total	**4,383.52**	**3,850.37**

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

25.1.1 Defined Contribution Plan:

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

Contributions to Provident Fund	195.52	161.65

25.1.2 Defined Benefit Plan:

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

Gratuity (Funded)

a) **Reconciliation of opening and closing balances of Defined Benefit obligation**		
Defined Benefit obligation at beginning of the year	**255.09**	210.58
Current Service Cost	**34.76**	32.19
Interest Cost	**16.56**	19.56
Actuarial (gain) / loss	**(30.94)**	26.67
Benefit Paid	**(36.06)**	(33.91)
Defined Benefit obligation at year end	**239.41**	255.09
b) **Reconciliation of opening and closing balance of fair value of plan assets**		
Fair value of plan assets at beginning of the year	**160.00**	151.47
Expenses Deducted from the fund	**(0.84)**	-
Expected return on plan assets	**8.97**	13.18
Employers Contribution	**6.73**	28.81
Benefit Paid	**(36.06)**	(33.91)
Actuarial (gain) / loss	**4.05**	0.45
Fair value of plan assets at year end	**142.85**	160.00
Actual return on plan assets	**8.97**	13.18
c) **Reconciliation of fair value of assets and obligations**		
Fair value of plan assets as at 31st March, 2016	**142.85**	160.00
Present value of obligation as at 31st March ,2016	**239.42**	255.09
Amount recognised in Balance Sheet	**96.57**	95.10

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(₹) in lakhs

		FOR THE YEAR ENDED	
		31ST MARCH, 2016	31ST MARCH, 2015
d)	**Net Gratuity and other cost for the year**		
	Current Service Cost	**34.76**	32.19
	Interest Cost	**16.56**	6.38
	Expected return on plan assets	**(8.97)**	-
	Actuarial (gain)/ loss	**(34.99)**	26.23
	Net Cost	**7.36**	64.80
e)	**Investment Details**	**% invested**	% invested
	L I C Group Gratuity (Cash Accumulation) Policy	**100**	100
f)	**Actuarial assumptions**		
	Mortality Table (L.I.C)	**2006-08 (Ultimate)**	**2006-08 (Ultimate)**
	Discount rate (per annum)	**7.90%**	7.98%
	Expected rate of return on plan assets (per annum)	**7.90%**	7.98%
	Rate of escalation in salary (per annum)	**6.50%**	6.50%
	Employers Best estimate of expected contribution for next year	**96.57**	95.10

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.

Gratuity (Non Funded)			
a)	**Change in Present Value of Obligation**		
	Present value of the obligation at beginning of the year	**14.62**	15.95
	Current Service Cost	**7.93**	6.13
	Interest Cost	**1.13**	1.27
	Actuarial (Gain) / Loss on Obligation	**(1.56)**	(8.72)
	Benefit Paid	**0.90**	-
	Present value of the obligation at the end of the year	**21.22**	14.62
b)	**Amounts Recognised in the Balance Sheet:**		
	Present value of Obligation at the end of the year	**21.22**	14.62
	Fair value of Plan Assets at the end of the year		
	Net Obligation at the end of the year	**21.22**	14.62
c)	**Amounts Recognised in the Statement of Profit and Loss:**		
	Current Service Cost	**7.93**	6.13
	Interest cost on Obligation	**1.13**	1.27
	Expected return on Plan Assets		-
	Net Actuarial (Gain) / Loss recognised in the year	**(1.56)**	(8.72)
	Net Cost	**7.50**	(1.32)
d)	**Actuarial assumptions**		
	Discount rate	**7.98%**	7.80%
	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 Mortality (2006-08) Ultimate

(₹) in lakhs

		Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
25.1.3	**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	**231.02**	202.36
	Opening Balance transferred from merger companies		-
	Current Service Cost	**20.28**	3.26
	Interest Cost	**0.62**	0.27
	Benefit Paid	**8.11**	12.03
	Actuarial (gain) / loss	**(13.03)**	38.46
	Defined Benefit obligation at year end	**230.78**	231.02
	b) **Reconciliation of fair value of assets and obligations**		
	Present value of obligation as at 31st March, 2016	**230.78**	231.02
	Amount Recognised in Balance Sheet	**230.78**	231.02
	c) **Expenses recognised during the year**		
	Current Service Cost	**20.28**	3.26
	Interest Cost	**0.62**	0.27
	Actuarial (gain)/ loss	**(13.03)**	38.46
	Net Cost	**7.87**	41.99
25.2	**Managerial Remuneration :**		
	Remuneration to Managing Director (₹ 96.00 lakhs to Managing Director)	**96.00**	111.00
	(Previous Year ₹ 96 Lakhs) (Refer Note 25.3)		
	Contribution to Provident Fund	**9.50**	10.89
	Perquisites	**0.11**	0.07
	Total	**105.61**	**121.96**

25.3 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 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.

(₹) in lakhs

		FOR THE YEAR ENDED	
		31ST MARCH, 2016	31ST MARCH, 2015
26	**OTHER EXPENSES:**		
	OPERATING EXPENSES:		
	Heat, Light and Power	**2,182.09**	2,080.03
	Rent	**398.41**	405.87
	Licences, Rates and Taxes (Refer Note 26.1)	**1,036.34**	629.24
	Repairs to Buildings	**376.68**	200.15
	Repairs to Plant and Machinery	**381.80**	252.72
	Repairs to Others	**215.21**	143.35
	Expenses on Apartments and Boards	**683.84**	579.94
	Replacements of Crockery, Cutlery, Linen, etc.	**129.02**	116.28
	Washing and Laundry Expenses	**178.85**	152.29
	Water Charges	**197.25**	184.73
	Sub-Total	**5,779.49**	**4,744.60**
	GENERAL EXPENSES:		
	Advertisement, Publicity and Sales Promotion	**323.43**	293.50
	Travel Agents' Commission	**357.50**	222.18
	Discount to Collecting Agents	**112.18**	127.46
	Management/ Licence Fees and Royalty	**109.04**	98.90
	Band and Music Expenses	**83.97**	112.71
	Sub-Total	**986.12**	**854.75**
	ADMINISTRATIVE AND OTHER EXPENSES:		
	Communication Expenses	**111.12**	95.36
	Printing and Stationery	**98.10**	79.13
	Legal, Professional and Consultancy charges (Refer Note 26.3)	**420.82**	427.70
	Directors' Sitting fees	**2.00**	3.70
	Travelling and Conveyance	**202.60**	176.29
	Insurance	**51.50**	49.70
	Bad Debts	**32.83**	17.07
	Provision for Doubtful debts and advances	**155.26**	646.58
	Auditors' Remuneration (Refer Note 26.2)	**11.81**	12.20
	Sales Tax/Vat /Luxury Tax etc. including assessment dues	**151.35**	307.14
	Loss on Diminution of Current Investments	**0.53**	0.31
	Loss on Sale / Discard of Fixed Assets (Net)	**47.33**	15.52
	Prior Periods Expenses	**12.28**	14.47
	Miscellaneous Expenses	**85.11**	78.50
	Sub-Total	**1,382.64**	**1,923.67**
	Total	**8,148.25**	**7,523.02**

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

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(₹) in lakhs

		FOR THE YEAR ENDED	
		31ST MARCH, 2016	31ST MARCH, 2015
26.2	**Auditors' Remuneration**		
	- As Audit Fees	**9.97**	9.88
	- Taxation Matters	**-**	0.48
	- Other Services	**1.45**	1.35
	- Out of Pocket Expenses	**0.30**	0.30
	- Service Tax (net of Input tax credit availed)	**0.09**	0.19
	Total	**11.81**	**12.20**

26.3 The Group has paid ₹ 1.25 Lakhs (Previous Year ₹ 1.25 Lakhs) as tax audit fees , ₹ 0.25 Lakhs (Previous year ₹ 0.25 Lakhs) for attending to taxation matter, ₹ 0.60 Lakhs (Previous year ₹ 0.60 Lakhs) for VAT audit fees and ₹ 0.29 Lakhs (Previous Year ₹ 0.26 Lakhs) as service tax thereon to a partner of the auditors.

27	**FINANCE COSTS:**		
	Interest Expense (Refer Note 27.1)	**3,128.22**	6,335.60
	Other Borrowing Costs	**938.96**	1,719.24
	Total	**4,067.18**	**8,054.84**

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

27.2 Reference is invited to note 35 relating to non provision of interest for the year due to disputes with certain lenders.

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

28	**EXCEPTIONAL ITEMS:**		
	EXPENSES:		
	Bad Debts - interest receivable from Subsidiary written off	**4,198.16**	-
		4,198.16	-
	INCOME:		
	Excess Provision Written Bank * Interest provision of earlier years	**745.83**	-
	Profit /(Loss) on Sale / Discard / Disposal of Fixed Assets (Net)	**489.62**	-
	Provision for doubtful interest receivable from Subsidiary Written Back	**4,198.16**	-
		5,433.61	-
	Total	**(1,235.45)**	**-**

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

29 Contingent Liabilities and Commitments. (₹) in lakhs

I Contingent liabilities:

		AS AT 31ST MARCH, 2016	AS AT 31ST MARCH, 2015
A	**Claims Against Company / Disputed liabilities not acknowledged as debts.**		
i)	Disputed Income Tax Demand	**400.69**	261.91
ii)	Disputed Indirect Tax Demand	**285.13**	Nil
iii)	Open import Licence	**1,256.11**	1,141.44
iv)	Claims against the Company not acknowledged as debt.	**704.25**	897.06
v)	Other Matters disputed	**103.93**	110.83
vi)	Claims against the Company in respect of disputed demand by Contractors pending in appropriate courts	**72.00**	87.22
vii)	Disputed claim of additional premium by The Director of Sports Govt.of Maharashtra.	**225.00**	225.00

ARCIL and ICICI Bank have jointly filed an application before DRT during the year claiming recovery of Rs. 25,237.90 Lakhs which has not been accepted by the Group and the matter is pending before DRT.

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.	**1,085.45**	1,082.45
iii)	Corporate guarantee given to a bank given in respect of credit facilities availed by Holding Company.	**38,583.00**	38,583.00
C	**Other Money for which the Group is contingently liable.**		
i)	Monetary value of unredeemed points in respect of Guest Loyalty program for Sales Promotion.	**Nil**	4.36
D	Refer Note 15.2 in respect of dispute regarding Bandra-Kurla Project		
II	**Commitments.**		
A	Estimated amount of capital commitments to be executed on capital accounts and not provided for (net of advances)	**6.89**	16.97
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**	1,236.82
ii)	Commitment to the V Privilege Scheme members for providing Hospitality services during the year 2015-16 as per membership sale value	**95.47**	163.23

iii) 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 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 Group in the meeting held on 26th July 2008. The modalities are being worked out.

30 Earnings Per Share (₹) in lakhs

Basic and Diluted

Particulars	**YEAR ENDED**	
	31ST MARCH, 2016	**31ST MARCH, 2015**
Net Profit / (Loss) after tax as per Statement of Profit and Loss (`)	**(3,941.93)**	(6,524.32)
No. of Shares issued	**2,35,84,058**	2,35,84,058
Nominal Value of Share (₹)	**10**	10
Weighted average no. of Shares – Basic	**2,35,84,058**	2,35,84,058
Weighted average no. of Shares – Diluted	**2,35,84,058**	2,35,84,058
Basic E.P.S. (₹) :	**(16.71)**	(27.66)
Diluted E.P.S. (₹): (See Note below)	**(16.71)**	(27.66)

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)

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

31 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.

32 Related Party Disclosures:

Related Parties where control exists:

(a) **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
Treeo Resorts Private Limited

(b) Key Management Personnel and their relatives:

Dr. Vithal V. Kamat - Executive Chairman & Managing Director
Mr. Vikram V. Kamat - Executive Director (Resigned during the previous year as Executive Director, who is a 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 :

Vithal . V. Kamat HUF

(d) 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, 2016:

(₹) 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	5.19	Nil	Nil
		(12.53)	(Nil)	(Nil)
2.	Sale of old used Fixed Assets and miscellaneous items of circulating stock and stores	13.44	Nil	Nil
		(Nil)	(Nil)	(Nil)
3.	Consultancy Fees / Fees paid towards hotel property under Business Contract Agreement	98.25	Nil	Nil
		(74.65)	(Nil)	(Nil)
4.	Purchase of goods & services	Nil	12.51	Nil
		(8.05)	(16.17)	(Nil)
5.	Remuneration to Key Management Personnel	Nil	134.63	Nil
		(Nil)	(142.01)	(Nil)
6.	Share Application Money refunded	Nil	Nil	Nil
		(185.00)	(Nil)	(Nil)
7.	Deposits Repaid during the year	Nil	Nil	Nil
		(Nil)	(Nil)	(25.00)
8.	Deposits Recovered during the year	2.25	Nil	Nil
		(Nil)	(Nil)	(Nil)

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(₹) in lakhs

Sr. No.	Nature of transactions	Joint Venture & specified companies	Key Management Personnel & relatives *	Other related parties
9.	Loans Repaid during the Year	Nil	Nil	Nil
		(399.00)	(Nil)	(Nil)
10.	Loans taken during the Year	Nil	Nil	Nil
		(85.00)	(Nil)	(Nil)
11.	Advances Repaid during the year	Nil	Nil	Nil
		(35.35)	(Nil)	(Nil)
12	**Balance outstanding at the year end:**			
(a)	Accounts receivable (Refer Note 18 and 21)	22.50	Nil	Nil
		(8.02)	(Nil)	(Nil)
(b)	Deposit paid includes Under Business Contract Agreements (Refer Note 15)	8,000.00	Nil	Nil
		(8,000.00)	(Nil)	(Nil)
(c)	Long Term Trade Deposit received towards Business Contract Agreement.(Refer Note 7)	53.66	Nil	Nil
		(53.66)	(Nil)	(Nil)
(d)	Amounts Payable (Note 9 and 10)	49.23	15.78	(0.01)
		(71.04)	(3.51)	(Nil)
(e)	Undertaking given by the Associate companies in favour of a lender towards repayment of loan from 50% of Sale Proceeds of their immovable properties.	4,213.18	Nil	Nil
		(4,213.18)	(Nil)	(Nil)
(f)	Corporate Guarantee issued by the Company in favour of banks on behalf of Subsidiary / Joint Venture Companies	1,000.00	Nil	Nil
		(1,000.00)	(Nil)	(Nil)
(g)	Corporate Guarantee / Personal Guarantee provided to the lenders (to the extent of loan outstanding at the year end)	35,842.61	1,05,448.68	Nil
		(36,454.19)	(1,00,154.38)	(Nil)
(h)	Aggregate Corporate Guarantee / Personal Guarantee provided under CDR obligation (to the extent of loan outstanding at the year end)	37,634.99	37,634.99	Nil
		(37,867.64)	(37,867.64)	(Nil)
(i)	Holding Company has Mortgaged its Land and proposed additions to the Hotel Building at Bhubaneswar in favour of a Bank on behalf of an Associate Company.	799.68	Nil	Nil
		(799.68)	(Nil)	(Nil)

*Relatives of Key Management Personnel: Mrs. Vidya V. Kamat (wife of Dr. Vithal V. Kamat and mother of Mr. Vikram V. Kamat), 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.

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

(₹) in lakhs

Name of Related Party	YEAR ENDED 31ST MARCH, 2016	YEAR ENDED 31ST MARCH, 2015
Specified Companies:		
Plaza Hotels Private Limited		
- Fees paid towards hotel property under Business Contract Agreement	**89.39**	74.65
- Deposit paid Under Business Contract Agreements for hotels	**8,000.00**	8,000.00
- Amounts Payable	**45.99**	16.03
- Corporate Guarantee provided by the above for securing loans taken by the Group	**37,842.61**	38,454.19

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(₹) in lakhs

Name of Related Party	YEAR ENDED	
	31ST MARCH, 2016	31ST MARCH, 2015
- 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	**37,634.99**	37,867.64
- Unsecured Loans taken during the year by Associate Companies	**29.00**	Nil
- Loan repaid during the year by Associate Companies	**10.00**	Nil
- Balance at the year end with Associate Companies	**19.00**	Nil
Kamats Holiday Resorts (Silvassa) Limited		
-Joint Corporate Guarantee issued to Banks/Lenders on behalf a holding company as per CDR obligatons with other Associate Companies	**37,634.99**	37,867.64
Talent Hotels Private Limited		
- Undertaking given towards repayment of Loan	**2,375.26**	2,375.26
Vits Hotels (Bhubaneshwar) Private Limited.		
- Share Application money Refunded during the year	**Nil**	185.00
Treeo Resort Private Limited		
-Sale of old used Fixed Assets and miscellaneous items of circulating stock and stores	**13.44**	Nil
-Rent paid for Restaurant Premises	**8.86**	9.66
-Security Deposit Recovered during the year	**2.25**	Nil
- Security Deposit given balance at the year end	**Nil**	2.25
- Amounts Receivable	**13.44**	Nil
Key Management Personnel and relatives:		
Dr. Vithal V. Kamat		
- Remuneration (Refer Note. 25.2)	**105.62**	105.57
- Royalty paid for brand	**12.51**	15.45
- Personal Guarantee provided by him for securing loans taken by the Group	**70,645.65**	68,304.28
- Joint Personal Guarantee issued to Banks/Lenders on behalf Company as per CDR obligatons with executive Director	**37,634.99**	37,867.64
Mrs. Vidya V. Kamat		
- Personal Guarantee Provided	**1,894.70**	2,273.00
Vishal V. Kamat		
- Remuneration	**29.01**	15.05
- Personal Guarantee provided by him for securing loan taken by the Company	**2,500.00**	2,500.00
Vikram V. Kamat		
- Remuneration	**Nil**	21.38
- Personal Guarantee provided by him for securing loan taken by the Company	**28,615.95**	28,487.85
- Joint Personal Guarantee issued to Banks/Lenders on behalf Company as per CDR obligatons	**37,634.99**	37,867.64
Other Related Parties:		
Vithal V. Kamat-HUF		
- Deposit refunded during the year	**Nil**	25.00

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

33 Leases

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

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

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

(₹) in lakhs

Particulars	YEAR ENDED	
	31ST MARCH, 2016	31ST MARCH, 2015
Payable within one year -	**53.90**	72.45
Payable later than one year but not later than five years -	**167.14**	205.97
Payable after five years -	**306.44**	342.67

The Group 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, 2016	31ST MARCH, 2015
Receivable within one year -	**300.97**	313.46
Receivable later than one year but not later than five years -	**391.23**	558.68

33.1 The Holding Company has given a portion of its hotel buildings at the Orchid, Mumbai and VITS, Mumbai to party to conduct, operate and manage the banquet halls and restaurant under lease agreements in the previous year. The Company is entitled to a fixed fee of seven percent of the annual turnover of the banquet halls and restaurant. The Company has received the fee of ₹ 120.74 lakhs (Previous Year ₹ 96.79 lakhs) for the year which is included in Note 23.

34 Pursuant to notification of Schedule II to the Companies Act, 2013 with effect from 1st April, 2014, depreciation for the Previous year ended 31st March, 2015 was 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. Accrodingly, depreciation for the Previous year ended 31st March, 2015 was 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) recognized in the opening balance of retained earnings in respect of assets in respect of which useful life is Nil. Depreciation ₹ 146.01 lakhs (Previous year ₹ Nil) which was found excess provided in respect of certains fixed assets of Holding Company in the previous year has been written back in this year and included in Other Income in Note 23.

35 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 participated 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 borrowings 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 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 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 participate in CDR package. 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. The Holding Company has disputed the same. One of the lenders filed suit for recovery of the entire dues during the financial year, which is pending before the Bombay High Court and the Holding Company has disputed the claim. In terms of interim orders passed by the High Court the Holding Company has been depositing proceeds of its credit card collections with the Prothonotary & Senior Master of the High Court which aggregated to ₹ 3.050.24 Lakhs till 31st March, 2016. Final adjustment will be made on disposal of the legal case. Another lender has filed application before the Debt Recovery Tribunal (DRT) during the year for recovery of entire loan, interest and charges and made a claim of ₹ 6,356.49 lakhs upto August, 2015 with further interest and charges, which is disputed by the Holding Company. The Holding Company has made provision for interest on this loan as per loan agreement and final adjustment will be made on disposal of the application in due course of time. Reference is invited to Notes 4.5 and 27 regarding disputed interest and charges aggregating to ₹ 704.25 Lakhs (Previous year ₹ 530.03 lakhs), which have not been provided in the accounts.

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

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

Name of the Enterprise	Net Assets i.e. total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount in ₹ Lakhs	As % of consolidated profit or loss	Amount in ₹ Lakhs
Parent				
Kamat Hotels (India) Limited	(675.33%)	(11,167.76)	216.35%	(8,528.27)
Subsidiaries				
Orchid Hotels Pune Private Limited	(196.37%)	(3,247.22)	102.58%	(4,043.55)
Kamats Restaurants (India) Private Limited	0.03%	0.57	0.00%	(0.08)
Fort Mahodadhinivas Palace Private Limited	(40.60%)	(671.37)	13.89%	(547.67)
Fort Jadhavgadh Hotels Private Limited	(0.02%)	(0.35)	0.00%	(0.04)
Green Dot Restaurants Private Limited	1.89%	31.30	0.01%	(0.22)
Joint Venture(as per proportionate consolidation)				
Ilex Developers & Resorts Limited	14.19%	234.69	3.80%	(149.87)

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

Part "A": Subsidiaries

a) Orchid Hotels Pune Private Limited

(₹) in lakhs

	AS AT 31ST MARCH, 2016	AS AT 31ST MARCH, 2015
Reporting Currency	**INR**	INR
Share Capital	**1,176.47**	1,176.47
Reserves and Surplus	**(4,423.69)**	(380.14)
Total Assets	**41,566.42**	44,859.72
ASSETS		
Fixed Assets (Net Block)	**39,555.92**	40,678.58
Deferred Tax Assets (Net)	**-**	2,929.32
Non Currrent Investments	**0.10**	-
Long-Term Loans and Advances	**50.60**	126.85
Current Assets	**1,959.80**	1,124.97
Total Liabilities		
Total Liabilities	**44,813.64**	44,063.39
LIABILITIES		
Long-Term Borrowings	**19,688.50**	19,665.91
Long-Term Provisions	**42.30**	19.02
Current Liabilities	**25,082.84**	24,378.47
Turnover / Total Income	**3,293.36**	2,841.21
Profit / (loss) before Taxation	**(1,114.22)**	(751.27)
Deferred Tax Asset	**2,929.32**	(294.43)
Profit / (loss) after Taxation	**(4,043.55)**	(456.85)
Proposed Dividend	**Nil**	Nil
% of Shareholding	**100%**	100%

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(₹) in lakhs

	AS AT 31ST MARCH, 2016	AS AT 31ST MARCH, 2015
b) Kamats Restaurants (India) Private Limited		
Reporting Currency	**INR**	INR
Share Capital	**1.00**	1.00
Reserves and Surplus	**(0.43)**	(0.35)
Total Assets	**0.60**	0.83
Other Non-Current Assets	**0.08**	0.11
Current Assets	**0.51**	0.72
Total Liabilities	**0.03**	0.17
Long-Term Borrowings	**-**	0.14
Current Liabilities	**0.03**	0.03
Turnover / Total Income	**Nil**	Nil
Profit / (loss) before Taxation	**(0.08)**	(0.11)
Deferred Tax Asset	**Nil**	Nil
Profit / (loss) after Taxation	**(0.08)**	(0.11)
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	**(672.37)**	(124.71)
Total Assets	**1,934.05**	2,012.89
Fixed Assets (Net Block)	**1,877.94**	1,922.61
Deferred Tax Asset (Net)	**-**	55.72
Other Non-Current Assets	**0.07**	0.10
Long-Term Loans and Advances	**6.79**	5.47
Current Assets	**49.25**	29.00
Total Liabilities	**2,605.42**	2,136.60
Other Long-Term Liabilities	**2,034.57**	2,021.05
Deferred Tax Asset (Liabilities)	**330.43**	-
Current Liabilities	**240.42**	115.55
Turnover / Total Income	**37.53**	30.39
Profit / (loss) before Taxation	**(161.52)**	(144.39)
Deferred Tax Asset	**386.15**	44.62
Profit / (loss) after Taxation	**(547.67)**	(99.78)
Proposed Dividend	**Nil**	Nil
% of Shareholding	**100%**	100%

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(₹) in lakhs

	AS AT 31ST MARCH, 2016	AS AT 31ST MARCH, 2015
d) Fort Jadhavgadh Hotels Private Limited		
Reporting Currency	**INR**	INR
Share Capital	**1.00**	1.00
Reserves and Surplus	**(1.35)**	(1.31)
Total Assets	**0.10**	0.10
Other Non-Current Assets	**0.03**	0.04
Current Assets	**0.07**	0.06
Total Liabilities	**0.46**	0.41
Long-Term Borrowings	**0.42**	0.37
Current Liabilities	**0.04**	0.04
Turnover / Total Income	**0.05**	Nil
Profit / (loss) before Taxation	**(0.04)**	(0.09)
Deferred Tax Asset	**Nil**	Nil
Profit / (loss) after Taxation	**(0.04)**	(0.09)
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	**30.30**	30.52
Total Assets	**34.38**	36.06
Other Non-Current Assets	**-**	0.02
Current Assets	**34.38**	36.04
Total Liabilities	**3.09**	4.54
Long-Term Provisions	**0.02**	0.98
Current Liabilities	**3.07**	3.56
Turnover / Total Income	**-**	3.86
Profit / (loss) before Taxation	**(0.22)**	1.74
Current Tax	**-**	0.96
Profit / (loss) after Taxation	**(0.22)**	0.78
Proposed Dividend	**Nil**	Nil
% of Shareholding	**100%**	100%

KAMAT HOTELS (INDIA) LIMITED

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(₹) in lakhs

	AS AT 31ST MARCH, 2016	AS AT 31ST MARCH, 2015
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	**31.03.2016**	31.03.2015
No. of Shares held by the year end	**2.67**	2.67
Amount of Investment in Joint Venture (₹)	**533.00**	533.00
Extent of Holding %	**32.92%**	32.92%
Networth attributable to Shareholding as per latest audited Balance Sheet	**234.69**	384.56
Profit/Loss for the year (₹)		
- Considered in Consolidation	**(149.87)**	12.27
- Not Considered in Consolidation	**(305.39)**	25.00
Description of how there is significant influence	**32.92% shareholding**	
Reason why the joint venture is not consolidated	**Not applicable**	

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

(i) Assets		
Fixed Assets	**788.67**	840.70
Deferred Tax Assets (Net)	**-**	67.19
Long Term Loans and Advances	**30.38**	32.34
Other Non-Current Assets	**0.01**	0.03
Current Assets	**167.73**	169.04
(ii) Liabilities		
Reserves and Surplus	**208.04**	357.91
Long Term Borrowings	**33.25**	591.22
Long Term Provisions	**5.63**	4.40
Current Liabilities	**713.22**	129.11
(iii) Income	**224.78**	315.56
(iv) Expenses	**307.47**	304.65

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

As per our report of even date

For and on behalf of Board of Directors

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

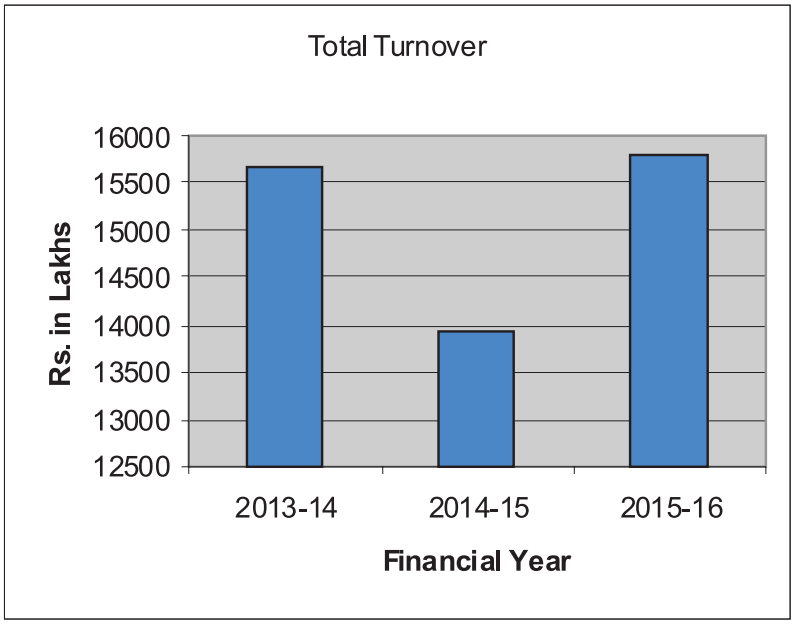
J. G. Verma
Partner
Membership No. 5005

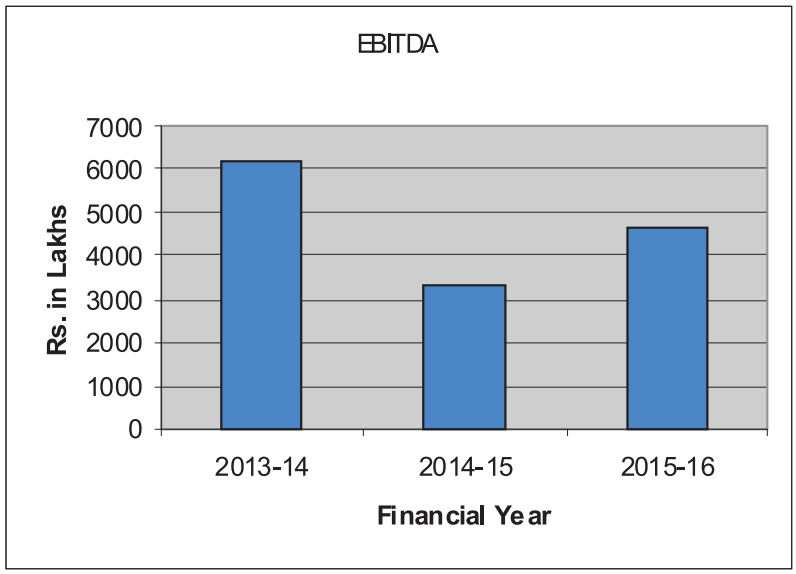
Mumbai : 28th May, 2016

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

Dinkar D. Jadhav
Director
(DIN : 01809881)

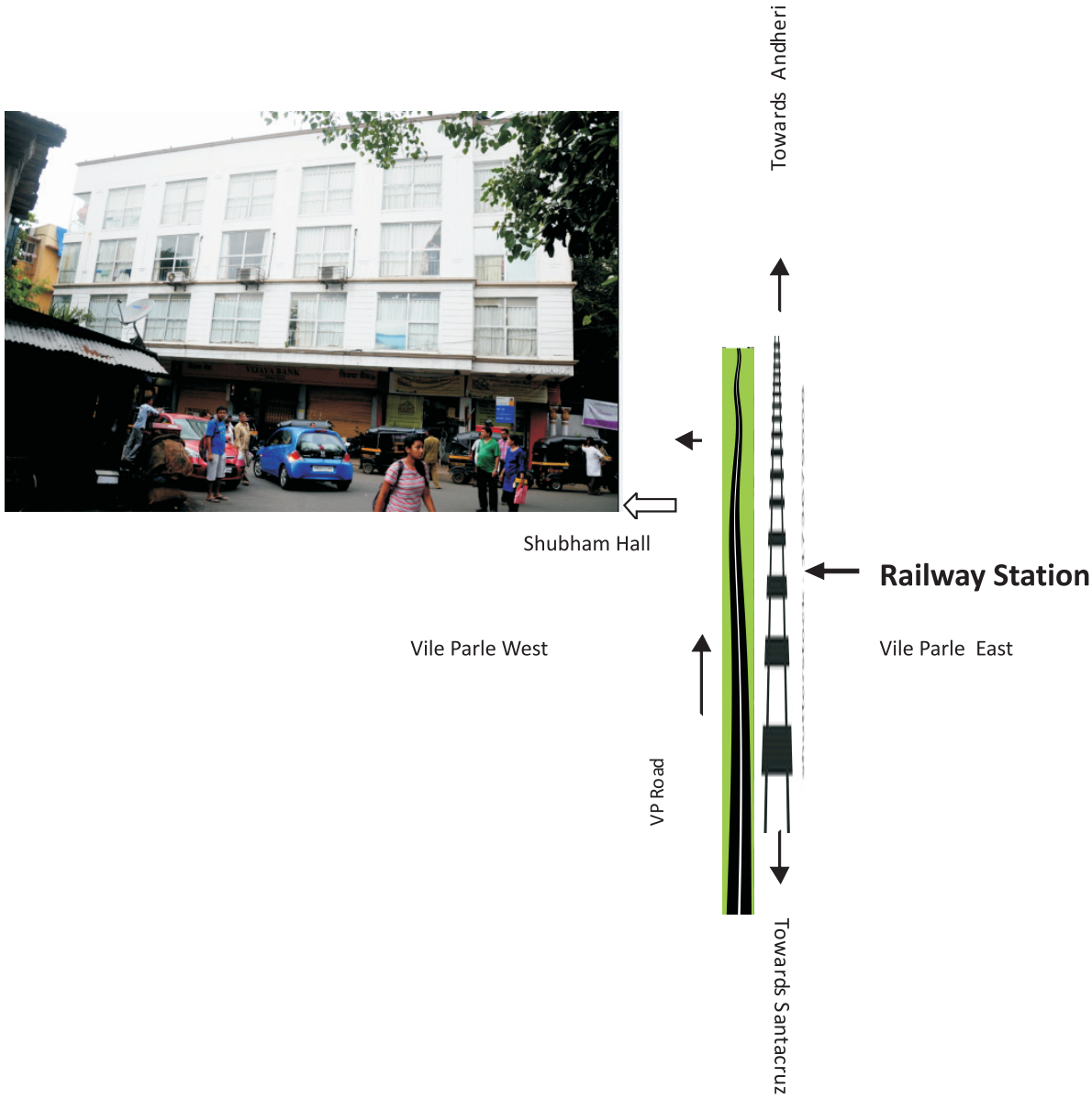
PERFORMANCE BAR CHARTS (STANDALONE)





KAMAT HOTELS (INDIA) LIMITED

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



KAMAT HOTELS (INDIA) LIMITED

NOTES

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 Fax No. 022 26164203;
Email : cs@khil.com Website : www.khil.com

Form No. MGT-11
Proxy form
[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s)	
Registered Address	
Email ID:	
Folio No /DP ID Client ID No.	

I/We, being the member (s) of ……. shares of the above named company, hereby appoint

1. Name: ----------E-mail Id: ----------
   Address: ----------
   ---------- Signature: ----------
   or failing him/her

2. Name: ----------E-mail Id: ----------
   Address: ----------
   ---------- Signature: ----------
   or failing him/her

1. 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 29th Annual general meeting of the Company, to be held on Saturday, the 24th day of September, 2016 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
	Ordinary Business		
1.	Adoption of Audited Financial Statement including Consolidated Financial Statement of the Company for the year ended on 31st March, 2016 and Reports of the Board and Auditors thereon.		
2.	To ratify appointment of Auditors and fix their remuneration.		
	Special Business		
3.	Appointment of Mr. Bipinchandra Chunilal Kamdar as a Director.		
4.	Re-appointment of Dr. Vithal V. Kamat as an Executive Chairman and Managing Director of the Company for a period of three years w.e.f. 1st October, 2016.		

Signed this…… day of……, 2016

Affix Revenue Stamp

_____
Signature of shareholder

_____
Signature of Proxy holder(s) Note:

1 This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

2* It is optional to put a '✓' in the appropriate column in front of the resolutions indicated in the table above. If you leave the 'For' or 'Against' column blank against any or all resolution(s), your proxy will be entitled to vote in the manner he / she thinks appropriate.

3 Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.

4 In the case of jointholders, the signature of any one holder will be sufficient, but names of all the jointholders should be stated.

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PURI, ORISSA

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