



26TH ANNUAL REPORT 2012 - 13



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

Mumbai, Maharashtra



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

Mumbai, Maharashtra



Fort
Jadhav GADH
A Gadhi Heritage Hotel
Ladh, Jhagadh, Aage Badh...

Jadhavgadh, Pune, Maharashtra



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Goa

Financial Highlights of the Company (Standalone)

₹ in lakhs

Particulars	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006	2004-2005	2003-2004	2002-2003
Income from operations	13,831.97	14,162.77	12,070.28	10,281.27	12,003.96	14,761.18	11,192.98	8,146.25	5,353.84	4,840.55	4,454.10
Other Income	2,455.29	2,229.04	257.56	1,082.76	644.22	505.93	89.81	87.83	49.37	56.10	132.41
Turnover	16,287.26	16,391.81	12,327.84	11,364.03	12,648.18	15,267.11	11,282.79	8,234.08	5,403.21	4,896.65	4,586.51
Total Expenditure	10,531.20	9,916.79	11,876.90	11,299.55	11,831.88	10,725.91	8,274.65	6,513.15	4,581.46	4,774.69	4,534.61
Profit/(Loss) Before Tax	(916.65)	18.61	506.01	64.48	988.01	4,369.59	3,008.14	1,720.93	821.75	121.96	51.90
Taxation	(350.26)	(80.58)	349.10	(74.20)	421.92	1,628.93	949.94	163.02	411.34	50.24	41.24
Profit/(Loss) After Tax	(566.39)	99.19	137.32	138.68	566.09	2,740.66	2,058.20	1,557.91	410.41	71.72	10.66
Equity Share Capital	1,968.19	1,968.19	1,562.97	1,378.59	1,378.59	1,378.59	1,378.59	1,378.59	1,133.14	1,133.14	1,133.14
Reserves and Surplus	22,642.61	23,209.01	17,576.78	15,134.70	14,996.02	14,817.79	12,547.95	10,875.76	6,604.18	6,318.74	6,261.16
Net-worth	24,316.87	24,883.26	19,139.75	16,513.29	16,374.61	16,196.38	13,926.54	12,248.33	7,720.97	7,407.72	7,307.64
Earning per Share (₹)	(2.97)	0.62	0.96	1.05	2.99	21.63	15.60	12.38	3.79	0.65	0.07
Book Value per Share (₹)	127.36	130.32	127.25	125.13	124.07	122.72	105.52	92.81	71.87	68.95	68.02
Return on Net Worth (percentage)	(2.33)	0.40	0.72	0.84	3.44	16.87	14.78	12.72	5.27	0.94	0.10
Dividend	-	-	-	-	12%	30%	25%	15%	10%	6%	-

**KAMAT HOTELS (INDIA) LIMITED
BOARD OF DIRECTORS**

Dr. Vithal Venketesh Kamat
Executive Chairman & Managing Director

Mr. S. S. Thakur
Director

Mr. Ramesh N. Shanbhag
Whole-Time Director

Mr. Ved Prakash Khurana
Director

Mr. Vikram V. Kamat
Executive Director

Mrs. Rajyalakshmi Rao
Director

AUDITORS

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

COMPANY SECRETARY

Mr. Mahesh Kandoi

BANKERS

Canara Bank

Andhra Bank

State Bank of India

Allahabad Bank

Axis Bank

Oriental Bank of Commerce

Kotak Mahindra Bank

REGISTERED OFFICE

KHIL House, 70-C, Nehru Road,
Near Santacruz Airport,
Vile Parle (East), Mumbai – 400 099.
Maharashtra, India.
Tel No. 2616 4000 Fax No. 2616 4115

Email: cs@khil.com
Website: www.khil.com

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.
Tel No. 2596 3838 Fax No. 2594 6969

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NOTICE

Notice is hereby given that the Twenty-Sixth 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 21st September, 2013 at 3.30 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited **Statement of Profit and Loss** and **Cash Flow Statement** for the year ended on 31st March, 2013 and the **Balance Sheet** as at that date together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Ved Prakash Khurana, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Vikram V. Kamat, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force) and subject to approval of Central Government, Dr. Vithal V. Kamat be and is hereby re-appointed 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 from 1st October, 2013 on the terms of appointment including remuneration and perquisites as set out in the annexed Explanatory Statement in respect of Item No. 5 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 XIII to the Companies Act, 1956 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 including payment of remuneration and perquisites in excess of the limits provided in Schedule XIII to the Companies Act, 1956, with the approval of the Central Government."

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

"RESOLVED THAT pursuant to Section 309(5B) and other applicable provisions, if any, of the Companies Act, 1956 and subject to approval of the Central Government, consent of the members of Company be and is hereby accorded for waiver of excess remuneration of ₹ 48,77,614/- paid to Dr. Vithal V. Kamat, Executive Chairman and Managing Director of the Company over and above the limits prescribed under Section 198, 309 read with Schedule XIII of the Companies Act, 1956 during the period from 1st April, 2012 to 31st March, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company or any committee of Directors duly constituted by the Board be and are hereby severally authorized to do all acts deeds and things, furnish any clarifications, information and to settle any question, difficulty or doubt that may arise in this regard."

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force) Mr. Ramesh N. Shanbhag be and is hereby re-appointed as a Whole-time Director of the Company who shall be liable to retire by rotation, for a period of 3 years from 1st October, 2013 on the terms of appointment including remuneration and perquisites as set out in the annexed Explanatory Statement in respect of Item No. 7 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 Mr. Ramesh N. Shanbhag.

RESOLVED FURTHER THAT in case of inadequacy or absence of profit in any financial year of the Company during the term of office of Mr. Ramesh N. Shanbhag as Whole-time 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 XIII to the Companies Act, 1956 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."

8. 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 Section 314 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government and any other competent authority, if required, consent of the Company be and is hereby accorded to the appointment of Mr. Vishal V. Kamat, a relative of Directors of the Company, to hold office or place of profit as the Chief

Executive Officer (CEO) of Fort Jadhavgadh, a Heritage Hotel, at Saswad Pune, with effect from 1st December, 2012 on a monthly gross salary of ₹ 1,00,000/- per month, other statutory benefits such as P.F., ESIC, Gratuity, Leave, Mediclaim and Personal Accident Policy etc., Leave Travel Allowance of ₹ 15,000/- per annum and on the other terms and conditions as mentioned in the letter of appointment issued to Mr. Vishal V. Kamat by the Company.

RESOLVED FURTHER THAT consent of the shareholders of the company be and is hereby also given for any alterations/variations in the terms of appointment including remuneration to Mr. Vishal V. Kamat in such manner as the Board of Directors of the Company may decide, subject to the ceiling prescribed in Section 314 of the Companies Act, 1956.

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

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

"RESOLVED THAT pursuant to the provisions of Section 81 (1A) and other applicable provisions of the Companies Act, 1956 including any statutory modification or re-enactment thereof, for the time being and in accordance with SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 as amended from time to time and any other rules, regulations as may be prescribed by appropriate authorities and subject to any approval, consent, permission as may be required, provisions of Listing Agreement entered into by the Company with the Stock Exchanges where the shares of the Company are listed, approval of the Company be and is hereby accorded to the 'Employee Stock Option Scheme-2013' (Scheme) and the Board of Directors of the Company (hereinafter referred to as the Board, which term shall include any committee of Directors duly authorized in this behalf) be and is hereby authorized to introduce, implement, offer, grant, issue and allot upto 11,80,000 equity shares of ₹ 10/- each fully paid up in the capital of the Company or any instruments or options convertible into equity shares of the Company in one or more tranches to eligible employees and/or Directors other than promoter Directors of the Company on terms and condition explicitly set out in Scheme and as the Board may, in its absolute discretion, decide.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board is authorised to do all such acts, matters and things as may be necessary, to formulate, amend, alter or adopt any modifications or re-define the proposal, scheme, plan and to settle any question, difficulty or doubt that may arise in this regard and to delegate all or any of the powers herein conferred to any committee of Directors of the Company to give effect to this resolution."

ON BEHALF OF THE BOARD OF DIRECTORS

Registered Office:

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

Dr. Vithal V. Kamat
Executive Chairman & Managing Director

Place : Mumbai.
Date: 12th August, 2013

NOTES:

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ONLY INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- 2) The instrument appointing proxy must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- 3) An Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in relation to the special business of the meeting is annexed as Annexure I to the Notice.
- 4) The members or proxies are requested to bring with them the Annual Report as extra copy of the same will not be supplied at the meeting as per usual practice.
- 5) The Shareholders are requested to notify changes, if any, in their address to their depository participants in respect of their holding in electronic form and to the Registrars and Transfer Agents of the Company, M/s. Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai-400078, Tel No. 25963838 and Fax No. 25946969 in respect of their holding in physical form.
- 6) The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 10th September, 2013 to Saturday, 21st September, 2013 (both days inclusive) for the purpose of Annual General Meeting.
- 7) As per Section 205C of the Companies Act, 1956, the dividend remaining unclaimed for a period of 7 years from the date of transfer to the unpaid dividend account in the respect of financial year ended on 31st March, 2006 shall be transferred to Investor Education and Protection Fund (IEPF) by November, 2013. The members who have not encashed their dividend warrants so far for the financial year ended on 31st March, 2006 or any subsequent financial year are requested to approach the Company or its Registrars and Transfer Agents for revalidation of their dividend warrants. It may be noted that once the unclaimed dividend for the year ended 31st March, 2006 is transferred to IEPF by November, 2013 no claim shall lie against the Company or IEPF in respect thereof.
- 8) Appointment /Re-appointment of Directors:

Mr. Ved Prakash Khurana and Mr. Vikram V. Kamat retire by rotation and being eligible, offer themselves for re-appointment at the ensuing Annual General Meeting. Dr. Vithal V. Kamat and Mr. Ramesh N. Shanbhag are proposed to be re-appointed as Executive Chairman and Managing Director and Whole-time Director of the Company respectively. The details pertaining to these Directors as required under Clause 49 (IV) (G) (i) of the Listing Agreement signed by the Company with the Stock Exchanges are furnished in Annexure II to the Notice.
- 9) In view of various advantages offered by the depository system, the members are requested to avail the facility of dematerialisation of the Company's shares.
- 10) The members of the Company holding their shares in physical form or in dematerialized form, who have not registered their e-mail IDs and Mobile number with the Company as per "GO GREEN" initiative taken by the Company to send documents like Notice, Annual Reports and alike correspondence to the members of the Company through electronic mode, are requested to send their e-mail IDs and Mobile number to the Company's id: cs@khil.com.
- 11) 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.

ON BEHALF OF THE BOARD OF DIRECTORS

Place : Mumbai
Date: 12th August, 2013

Dr. Vithal V. Kamat
Executive Chairman & Managing Director

ANNEXURE I TO THE NOTICE

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item No. 5 and 6

The shareholders had, at the 23rd Annual General Meeting held on 25th September, 2010, appointed Dr. Vithal V. Kamat as Executive Chairman and Managing Director for a period of 3 years from 1st October, 2010. The tenure of Dr. Vithal V. Kamat as Executive Chairman and Managing Director would be ending on 30th September, 2013.

The Board of Directors, at its meeting held on 25th May, 2013, approved the re-appointment of Dr. Vithal V. Kamat as Executive Chairman and Managing Director for a period of 3 years from 1st October, 2013 on the following terms and conditions, subject to approval of the members in general meeting.

REMUNERATION

Remuneration of ₹ 8,00,000/- per month in the form of salary will be paid for a period of one year with effect from 1st October, 2013.

The remuneration payable to Dr. Vithal V. Kamat during the remaining period of his term as Executive Chairman and Managing Director i.e. from 1st October, 2014 to 30th September, 2016, will be determined by the Board on the recommendation of the Remuneration Committee subject to the maximum monetary limit of ₹ 12,00,000/- per month.

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.
- Notwithstanding anything to the contrary contained herein, where in any financial year during the currency of the tenure of the appointee, the Company has no profits or its profits are inadequate, the Company will pay him remuneration by way of salary, allowances and perquisites mentioned herein as minimum remuneration not exceeding the ceiling laid down in Section II of Part II of Schedule XIII of the Companies Act, 1956 and as may be decided by the Board of Directors of the Company. The Board of Director may also approve to payment of remuneration and perquisites as mentioned in resolution no. 5 of the notice with the approval of the Central Government notwithstanding the fact that the remuneration and perquisites exceeds the limit mentioned Schedule XIII of the Companies Act, 1956.
- Tenure: 1-10-2013 to 30-09-2016.

The above terms and conditions may be treated as an abstract under Section 302 of the Companies Act, 1956.

The net profit for the year 2012-13 computed in accordance with Section 349 and 350 of the Companies Act, 1956 was inadequate for the remuneration paid to Directors of the Company as per the applicable Section 198, 309 and Section II of Part I of Schedule XIII of the Companies Act, 1956.

The Company had paid remuneration to Dr. Vithal V. Kamat for the year 2012-2013 as per the recommendation of the Remuneration Committee as approved by the Board of Directors. However, due to absence of profit during the year 2012-13, the remuneration of ₹ 48,77,614/- paid to Dr. Vithal V. Kamat for the year 2012-13 was in excess of the limits computed as per the provisions of Section 198, 309 and Schedule XIII of the Companies Act, 1956. Hence, the Board of Directors of the Company, at its meeting held on 25th May, 2013 approved waiver of recovery of excess remuneration paid to Dr. Vithal V. Kamat for the financial year 2012-13. Subsequently, the Company had, on 20th June, 2013, made an application to the Central Government under Section 309(5B) of the Companies Act, 1956 to obtain approval of the Central Government for waiver of recovery of the excess remuneration paid to Dr. Vithal V. Kamat in the financial year 2012-2013. The Central Government, vide its email dated 16th July, 2013, has required the Company to furnish members' Special Resolution in favour of waiver of recovery of excess remuneration paid to Dr. Vithal V. Kamat during the period from 1st April, 2012 to 31st March, 2013. Therefore, Special Resolution at Item No. 6 is proposed for your approval.

The Directors recommend the passing of the resolutions set out at Item No. 5 and 6 of the accompanying Notice as special resolutions.

None of the Directors, except Dr. Vithal V. Kamat and Mr. Vikram V. Kamat, is concerned or interested in the said resolution.

Item No. 7.

The shareholders had, at the 23rd Annual General Meeting held on 25th September, 2010, appointed Mr. Ramesh N. Shanbhag as Whole-time Director for a period of 3 years from 1st October, 2010. The tenure of Mr. Ramesh N. Shanbhag as Whole-time Director would be ending on 30th September, 2013.

The Board of Directors, at its meeting held on 25th May, 2013, approved the re-appointment of Mr. Ramesh N. Shanbhag as Whole-time Director for a period of 3 years from 1st October, 2013 on the following terms and conditions, subject to approval of the members in general meeting.

REMUNERATION

Remuneration of ₹ 3,00,000/- per month in the form of salary will be paid for a period of one year with effect from 1st October, 2013.

The remuneration payable to Mr. Ramesh N. Shanbhag during the remaining period of his term as Whole-time Director i.e. from 1st October, 2014 to 30th September, 2016, will be determined by the Board on the recommendation of the Remuneration Committee subject to the maximum monetary limit of ₹ 4,00,000/- per month.

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 upto ₹ 50,000/- per annum will be reimbursed. In addition, Mediclaim Coverage for self and family as per the rules of the Company will be available to Mr. Ramesh N. Shanbhag.
- Reimbursement of electricity charges.
- Telephone at actuals.
- Club fee: actuals for not exceeding one club.
- Leave travel allowance: As per the rules of the Company.
- Mr. Ramesh N. Shanbhag will be entitled to all other staff benefits/ various staff welfare schemes as per the rules of the Company prevailing from time to time.

Other terms of appointment:

- As Whole-time Director, Mr. Ramesh N. Shanbhag shall, subject to the supervision and control of the Board of Directors and/ or Executive Chairman and Managing Director of the Company, manage the business and affairs of the Company.
- Mr. Ramesh N. Shanbhag will not be paid any fee for attending the meetings of the Board or any committee thereof.
- Mr. Ramesh N. Shanbhag will be liable to retire by rotation.
- The appointment may be terminated at any time by either party giving to the other party three months notice of such termination and neither party will have any claim against the other for damages or compensation by reason of such termination.
- Notwithstanding anything to the contrary contained herein, where in any financial year during the currency of the tenure of the appointee, the Company has no profits or its profits are inadequate, the Company will pay him remuneration by way of salary, allowances and perquisites mentioned herein as minimum remuneration not exceeding the ceiling laid down in Section II of Part II of Schedule XIII of the Companies Act, 1956 and as may be decided by the Board of Directors of the Company.
- Tenure: 1-10-2013 to 30-09-2016.

The above terms and conditions may be treated as an abstract under Section 302 of the Companies Act, 1956.

The Directors recommend the passing of the resolution set out in Item No. 7 of the accompanying Notice as a special resolution.

None of the Directors, except Mr. Ramesh N. Shanbhag, is concerned or interested in the said resolution.

STATEMENT PURSUANT TO PROVISIO OF SECTION II (1)(B)/(C) OF PART II OF SCHEDULE XIII OF THE COMPANIES ACT, 1956 IN RESPECT OF RESOLUTIONS AT ITEM NOS. 5 AND 7.

I. GENERAL INFORMATION

The nature of the industry of the Company is Hotels and Hospitality. The Company was incorporated on 21st March, 1986 and has been in business of hotels and hospitality since inception.

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

	₹ in Lakhs	
	Current year 2012-13	Previous year 2011-12
Turnover	16,287.26	16,391.81
Profit	(566.39)	99.19
Dividend	-	-

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

II. INFORMATION ABOUT THE APPOINTEES:

– Background Details, job profile, recognitions/awards:

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 40 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 84 prestigious national and international awards for “The Orchid” within a span of about 16 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.

Mr. Ramesh N. Shanbhag is commerce graduate and has been associated with the Kamat Group for the past 37 years. He has vast experience in the hotel industry with expertise in legal field. He was appointed as a Director of the Company with effect from 30th January, 1999. Subsequently, he was appointed as a Whole-time Director of the Company with effect from 1st October, 2000.

–Remuneration:

The remuneration to Dr. Vithal V. Kamat and Mr. Ramesh N. Shanbhag during the period from 1st October, 2010 to 30th September, 2013 was determined by the Board of Directors on the recommendation of Remuneration Committee within the maximum monetary limit approved by the shareholders by passing Special Resolutions on 25th September, 2010. Following are the details of the remuneration paid in the past:

Name of the Director	Financial years		
	2010-11	2011-12	2012-13
Dr. Vithal V. Kamat	85,57,283/-	99,10,008/-	1,05,57,809/-
Mr. Ramesh N. Shanbhag	29,95,269/-	36,59,600/-	39,81,200/-

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

The proposed salary and other perquisites to Dr. Vithal V. Kamat and Mr. Ramesh N. Shanbhag are parallel and alike to remuneration of executives occupying similar post in other companies in hotels and hospitality related business.

Except the remuneration and perquisites as stated above, shareholding in the Company, interest as per agreements executed with the Company after obtaining all necessary approvals, wherever required and relation with Mr. Vikram V. Kamat, Executive Director of the Company, Dr. Vithal V. Kamat has no other direct or indirect pecuniary relationship with the Company or any other managerial personnel.

Except the remuneration and perquisites as stated above and shareholding in the Company, Mr. Ramesh N. Shanbhag has no other direct or indirect pecuniary relationship with the Company or any other managerial personnel.

III. OTHER INFORMATION:

– Reasons of inadequate profits, steps taken or proposed to be taken for improvement and expected increase in productivity and profits:

The bottomline of the Company is affected mainly due to overall economic slowdown and high debt and interest burden. The profit of the Company is likely to remain inadequate for payment of managerial remuneration in next few years. In view of difficult financial situation the Company made a reference to Corporate Debt Restructuring (CDR) cell for restructuring its debts. The CDR Scheme was approved by the CDR Empowered Group at its meeting held on 15th February, 2013. This is expected to give relief to the Company and improve the cash flow and bottomline of the Company.

Moreover, the Company has sold its non strategic assets at Nagpur and Raipur to improve the cash flow situation. Besides, continuous efforts are being made to improve the sales and performance of the Company. Also various cost cutting measures have been initiated, wherever possible to curtail cost.

Keeping in view the aforesaid factors, the overall performance of the Company is expected to improve gradually over a period of time.

Item No. 8

Mr. Vishal V. Kamat, who is relative of Dr. Vithal V. Kamat and Mr. Vikram V. Kamat, was appointed as the Chief Executive Officer (CEO) of Fort Jadhavgad, a Heritage Hotel, at Saswad Pune, with effect from 1st December, 2012 on a monthly gross salary of ₹ 1,00,000/- per month and on other terms and conditions as mentioned in the letter of appointment.

As per Section 314(1) of the Companies Act, 1956, except with the consent of the Company accorded by a special resolution, no relative of a Director shall hold any office or place of profit carrying a total monthly remuneration of not less than ₹ 50,000/-. Further, the first proviso to Section 314(1) of the Companies Act, 1956, states that it shall be sufficient if the special resolution according consent of the Company is passed at the general meeting of the Company held for the first time after holding of such office or place of profit.

Hence, the Special Resolution as required under Section 314(1) of the Companies Act, 1956 is proposed for your consideration.

A copy of the letter of appointment issued by the Company to Mr. Vishal V. Kamat is open for inspection at the registered office of the Company between 10.00 A.M. to 1.00 P.M. on all working days from 5th September, 2013 to 21st September, 2013.

The Board of Directors recommends the resolution set out at Item No.8 of the Notice to be passed as Special Resolution.

None of the Directors, except Dr. Vithal V. Kamat and Mr. Vikram V. Kamat, is concerned or interested in the resolution.

Item No. 9.

In order to retain and motivate the team of talented senior management and key employees, it is proposed to grant to the eligible employees, options to acquire the equity shares of the Company under 'Employee Stock Option Scheme-2013' (Scheme/ESOS) as per Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 and other applicable acts, rules and regulations. Brief details of ESOS are mentioned under:

(a) Total number of options to be granted under ESOS:

The maximum number of the equity shares of which option would be granted to the eligible employees under this scheme is 11,80,000 equity shares of ₹ 10/- each in the capital of the Company.

(b) Employees entitled to participate in the ESOS:

An Employee of the Company as on such date as may be decided by the Compensation Committee i) who has completed three years of service in the Company and has record of grade 'A' appraisal under the appraisal policy of the Company in the year immediately preceding the year of Grant or ii) who has, in the opinion of the Compensation Committee, achieved outstanding performance or made exceptional contribution to the Company shall be eligible to participate in the Scheme.

A Director of the Company not holding either by himself or through his relative or through any body corporate, directly or indirectly more than 10% of the outstanding equity shares of the Company shall be eligible to participate in the Scheme.

An Employee or a Director who is a Promoter or belongs to Promoter Group shall not be eligible to participate in the Scheme.

(c) Vesting and period of vesting:

Vesting period shall commence from 31st March, 2015 subject to meeting or fulfilling the performance / conditions as decided / specified by the Compensation Committee from time to time. The Options will be vested in tranches subject to the terms and conditions as may be stipulated by the Board/Committee, which may include satisfactory performance of the employees/Directors and their continued employment with the Company, as the case may be.

(d) Period within which the options shall be vested:

Options shall be vested within 18 months from the date of grant, subject to fulfillment of conditions, if any.

(e) Exercise price:

The Exercise Price for exercising the vested Options will be the price as may be decided by the Compensation Committee / Board of Directors of the Company. The Exercise price shall be paid to the Company in cash upon exercise of the Options.

(f) Exercise period and process of exercise:

The vested options shall be exercised by the Employees at Exercise Price within a period of three months from the Date of Vesting.

An Employee can convert the options granted by applying to the Company during the exercise period, by way of an application in the specified format and mention number of options in respect of which he/she wishes to exercise the option. An application in prescribed form alongwith a cheque / demand draft payable at Mumbai drawn in favour of "Kamat Hotels (India) Limited" or cash for an amount equal to the aggregate Exercise

Price payable (product of exercise price per share and number of options exercised) in respect of the options for which the conversion option is exercised shall be submitted to the Company for exercise.

(g) Appraisal process for determining the eligibility of employees to the ESOS:

The Compensation Committee shall decide the parameters and number of options that may vest in each Employee depending upon years of service, designation, performance, potential, loyalty, grade and compensation structure and integrity of the employee and determine exact entitlement of Employees in respect of different categories of Employees.

(h) Maximum number of options to be issued per employee and in aggregate:

No single employee shall be granted options to purchase more than 1% of the expanded share capital of the Company. The aggregate number of all such options granted shall not exceed 11,80,000 equity shares of ₹ 10/- each.

(i) Statement to the effect that the company shall conform to the specified accounting policies:

The Company shall comply with the disclosure and accounting policies as required under SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 as amended from time to time and any other rules, regulations as may be prescribed by appropriate authorities.

(j) Method to value options:

Intrinsic value method will be used by the Company to value employee compensation cost. The difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed in the Directors report and also the impact of this difference on profits and on EPS of the company shall also be disclosed in the Directors' report.

A copy of the Scheme is open for inspection at the registered office of the Company between 10.00 A.M. to 1.00 P.M. on all working days from 5th September, 2013 to 21st September, 2013.

The Board of Directors recommends the special resolution set out at Item No. 9 of the accompanied Notice.

None of the Directors of the Company, except directors who may be eligible for grants of options under ESOS, is concerned or interested in the resolution.

ANNEXURE II TO THE NOTICE

As required under Clause 49 (IV) (G) (i) of the Listing Agreements, a brief profile of the Directors seeking re-appointment is as follows:

1. Name: Mr. Ved Prakash Khurana

Mr. Ved Prakash Khurana is a Post Graduate in Philosophy from Delhi University and has over three decades of experience in the areas of banking and finance.

Directorship held in other Companies-Orchid Hotels Pune Private Limited, Audit Committee Membership in other Companies –NIL, Shareholders' Grievance Committee Membership in other Companies-NIL, Remuneration Committee Membership in other Companies-NIL, Shareholding in Kamat Hotels (India) Limited-NIL.

2. Name: Mr. Vikram V. Kamat

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

Directorships held in other companies

1) Green Dot Restaurants Pvt. Ltd. 2) Indira Investments Pvt. Ltd. 3) Kamat Holdings Pvt. Ltd. 4) Kamats Club Pvt. Ltd. 5) Kamats Development Pvt. Ltd. 6) Kamats Eateries Pvt. Ltd. 7) Kamats Holiday Resorts (Silvassa) Ltd. 8) Kamats Super Snacks Pvt. Ltd. 9) Kamburger Foods Pvt. Ltd. 10) Karaoke Amusements Pvt. Ltd. 11) Orchid Hotels Pune Pvt. Ltd. 12) Venketesh Hotels Pvt. Ltd. 13) Vishal Amusements Ltd.

Audit Committee Membership in other Companies-NIL, Shareholders' Grievance Committee Membership in other Companies-NIL, Remuneration Committee Membership in other Companies-NIL, Shareholding in Kamat Hotels (India) Limited -500 shares.

3. Name: Dr. Vithal V. Kamat

A brief resume of Dr. Vithal V. Kamat and nature of his expertise in specific functional areas is mentioned in details on Page no. 7 under the head of Explanatory Statement / Statement pursuant to proviso of Section II (1)(B)/(C) of part II of Schedule XIII of the Companies Act, 1956 in respect of resolutions at item nos. 5 and 7.

Directorships held in other companies

1) Busybee Developers Pvt. Ltd. 2) Ecozone Agro & Resorts Pvt. Ltd. 3) Fort Jadhavgadhd Hotels Private Ltd. 4) Fort Mahodadhinivas Palace Pvt. Ltd. 5) Grasshopper Developers Pvt. Ltd. 6) Greenboom Developers & Resorts Ltd. 7) Greenzone Agrotech Pvt. Ltd. 8) Ilex Developers & Resorts Ltd. 9) Jadhavgadhd Hotels Pvt. Ltd. 10) Kamat Foods (Singapore) Pte Ltd. 11) Kamat Orissa Hotels Pvt. Ltd. 12) Kamat Restaurants (Singapore) Pte Ltd. 13) Kamats Holiday Resorts (Silvassa) Ltd. 14) Kanisha Hotels Pvt. Ltd. 15) Karwar Hotels Pvt. Ltd. 16) Maa Veg Eateries Private Limited 17) Orchid Hotels Pune Pvt. Ltd. 18) Plaza Hotels Pvt. Ltd. 19) Sputnik Agro & Resorts Pvt. Ltd. 20) Swastik Amusements & Hotels Pvt. Ltd. 21) Talent Hotels Pvt. Ltd. 22) Woodlink Developers & Resorts Pvt. Ltd. 23) Organ Harvest Foundation.

Audit Committee Membership in other companies –NIL, Shareholders' Grievance Committee Membership in other companies-NIL, Remuneration Committee Membership in other companies-NIL Shareholding in Kamat Hotels (India) Ltd.-10,57,376 shares(including shareholding in HUF).

4. Name: Mr. Ramesh N. Shanbhag

A brief resume of Mr. Ramesh N. Shanbhag and nature of his expertise in specific functional areas is mentioned in details on Page no. 7 under the head of Explanatory Statement / Statement pursuant to proviso of Section II (1)(B)/(C) of part II of Schedule XIII of the Companies Act, 1956 in respect of resolutions at item nos. 5 and 7.

Directorships held in other companies

1) Fort Jadhavgadhd Hotels Pvt. Ltd. 2) Fort Mahodadhinivas Palace Pvt. Ltd. 3) Green Dot Restaurants Pvt. Ltd 4) Greenzone Agrotech Pvt. Ltd 5) Indira Investments Pvt. Ltd 6) Jadhavgadhd Hotels Pvt. Ltd. 7) Kamat Holdings Pvt. Ltd 8) Kamats Club Pvt. Ltd 9) Kamats Developments Pvt. Ltd 10) Kamats Eateries Pvt. Ltd 11) Kamats Holiday Resorts (Silvassa) Limited 12) Kamats Super Snacks Pvt. Ltd 13) Kamburger Foods Pvt. Ltd 14) Karaoke Amusements Pvt. Ltd. 15) Orchid Hotels Pune Pvt. Ltd 16) Plaza Hotels Pvt. Ltd 17) Sputnik Agro & Resorts Pvt. Ltd 18) Talent Hotels Pvt. Ltd 19) Venketesh Hotels Pvt. Ltd. 20) Vishal Amusements Limited 21) Organ Harvest Foundation.

Audit Committee Membership in other companies–NIL, Shareholders' Grievance Committee Membership in other companies–NIL Remuneration Committee Membership in other companies–NIL and Shareholding in Kamat Hotels (India) Ltd. 2,351 shares.

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 26th Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2013.

FINANCIAL RESULTS

The financial results for the year under review are summarised below:

(₹ in lakhs)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Total Income	16,287.26	16,391.81
Profit Before Interest, Depreciation & Taxation	5,756.06	6,475.02
Less: Interest and Finance Charges (net)	5,950.64	4,969.77
Less: Depreciation	1,474.64	1,360.21
Profit Before Exceptional Item and Tax	(1,669.22)	145.04
Add/(Less): Exceptional Item	752.57	(126.43)
Profit/ (Loss) Before Tax	(916.65)	18.61
Less: Provision for current tax	152.00	14.00
Less: Prior Period Adjustment - Income Tax	28.56	-
Add: Deferred tax	530.82	80.58
Add: MAT credit entitlement	-	14.00
Net Profit/ (Loss) after tax	(566.39)	99.19
Add: Surplus Brought Forward from previous year	5,931.78	5693.17
Add: Transfer on Amalgamation	-	139.42
Balance carried over to Balance Sheet	5,365.39	5931.78

YEAR IN RETROSPECT

During the year under review, total income of the Company decreased to ₹ 16,287.26 lakhs as compared to ₹ 16,391.81 in the previous financial year. The average occupancy level of The Orchid, Mumbai, was, around 62% in the year under review and previous year. The average occupancy level of VITS Mumbai was around 71% as compared to 79% in the previous year. The Average Room Rate, during the year under review, was however lower at ₹ 5,127/- at The Orchid, Mumbai as compared to ₹ 5,521/- in the previous year and at ₹ 3,281/- at VITS, Mumbai as compared to ₹ 3,410/- in the previous year. The total turnover of the Company for the year was recorded at ₹ 16,287.26 lakhs (of which the turnover of ₹ 7,480.58 lakhs pertains to The Orchid, Mumbai, ₹ 2,819.55 lakhs to VITS, Mumbai and ₹ 5,987.13 lakhs to other units) as against ₹ 16,391.81 lakhs in the previous year, a decrease of around 0.64% over the last year. The Company has registered loss after tax of ₹ 566.39 lakhs as compared to profit of ₹ 99.19 lakhs in the previous year.

DIVIDEND

In view of loss incurred by the Company during the year under review, the Board of Directors do not recommend any dividend for the financial year ended 31st March, 2013 (Previous year NIL).

MANAGEMENT / FRANCHISEE / LEASE CONTRACTS

The Company is having management contracts for managing hotel and restaurant properties at Aurangabad, Pune, Baroda, Bhubaneswar and Mahad. The Company is also having franchisee agreements for properties at Lotus Aronda, Lotus Silvassa, Vithal Kamats Original Family Restaurants at Titwala, Ale Phata, Trimbakeshwar, Shahpur, Panvel, Hinjewadi, Mulsi – Dam (Paud) and Umraj.

Vithal Kamats Original Family Restaurants at Dhauli, Konark, Cuttack, Borivali, Kharghar, Nigdi, Kudal, Sanpada and Supa were closed during the current year in view of insignificant contributions of these units to the Company.

CORPORATE DEBT RESTRUCTURING

During the year under review the Company had made a reference to Corporate Debt Restructuring (CDR) Cell for restructuring its debts in view of difficult financial situation.

The CDR Empowered Group, at its meeting held on 15th February, 2013, has approved the CDR Package.

As per the terms of CDR package, the Promoters' of the Company shall contribute ₹ 22 crores. It is proposed to issue equity shares to the Specified Promoter(s) / Promoter Group / Person(s) on preferential basis as per the provisions of Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009. The consent of the shareholders by Special Resolution is proposed to be obtained through postal ballot as per Section 192A of the Companies Act, 1956 read with The Companies (Passing of Resolution by Postal Ballot) Rules 2011, as amended for issue of equity shares to Specified Promoter(s)/Promoter Group/Person(s) on preferential basis.

DISPOSAL OF ASSETS

During the year under review, the Company disposed of its land/non-strategic assets situated at Nagpur and Raipur to reduce the debts. Moreover, disposal of land/other assets of the Company is in pipeline to further ease the debt and interest burden on the Company.

AWARDS

The Orchid, Asia's first and only ISO 14001 certified Eco-friendly Five Star Hotel, continues to maintain the track record of winning prestigious awards. The Directors are pleased to inform that the following awards were received in the year under review:

The Orchid, Flagship hotel of the Company was conferred with the prestigious JSW- The Times of India Earth Care Award 2012 on 14th September, 2012 at New Delhi for excellence in climate change mitigation and adaptation.

The Orchid was awarded First Prize in the Best Traffic Island Category for its Dr. Ambedkar Garden, on Madam Cama Road-Fort.

National Society of the Friends of the Trees awarded "The Orchid" third prize in the Best traffic island category for the traffic island garden at Tardeo.

Stars of the Industry group awarded "The Orchid" and VITS with the following awards:

1. 'South of Vindhyas' - The Golden Star- Best Traditional Restaurant of the Year (South Indian) Award.
2. 'Mostly Grills' -The Golden Star- Most Admired Hotel Ambience of the Year Award.
3. Nirmalya Project - The Golden Star- Most Admired CSR practice of the Year Award.
4. 'Dimsum House' -The Golden Star- Chinese Food of the Year Award.
5. 'Jalsa The Coal Bar' - The Golden Star- "Most Admired Bar of the Year" Award.
6. Michelle Shanbhag - The Golden Star- Most Admired Front Office Manager of the year.

Your Company has so far bagged 59 national and 25 international awards. Most of these awards have been won mainly because of the environmental awareness created by the flagship hotel, "The Orchid".

SUBSIDIARY COMPANIES

During the year under review, Orchid Hotels Pune Private Limited (OHPPL) became wholly owned subsidiary of the Company upon transfer of 16.67% shares in the paid up capital of OHPPL pursuant to Share Purchase Agreement dated 8th February, 2012. OHPPL has two operational hotel units situated at Pune Viz: 'The Orchid', Pune under five star category and 'VITS', Pune under four star category. The other subsidiaries of the Company are Fort Mahodadhinivas Palace Private Limited, Kamats Restaurants (India) Private Limited, Fort Jadhavgadh Hotels Private Limited, Jadhavgadh Hotels Private Limited and Green Dot Restaurants Private Limited.

The name of Fort Mahodadhi Palace Private Limited, subsidiary company was changed to Fort Mahodadhinivas Palace Private Limited with effect from 23rd July, 2012.

The Ministry of Corporate Affairs has, vide Circular No. 5/12/2007-CL-III dated 8th February, 2011, granted general exemption from the provisions of Section 212 of the Companies Act, 1956 in relation to attaching copy of the Balance Sheet, Profit and Loss account, Board's Report and Auditor's Report of the subsidiary companies alongwith the holding company's Balance Sheet. Accordingly, the Balance Sheet etc. of the subsidiary companies are not attached with the annual accounts of your Company.

Pursuant to the said circular the annual accounts of the subsidiary company(ies) and the related details shall be available to shareholders of the Company seeking such information. The annual accounts of the subsidiary company(ies) are open for inspection by the shareholders of the Company at the registered office of the Company and of the subsidiary company(ies).

DIRECTORS

Mr. Ved Prakash Khurana and Mr. Vikram V. Kamat retire by rotation and being eligible, offer themselves for re-appointment. The Board recommends their re-appointment.

Dr. Vithal V. Kamat and Mr. Ramesh N. Shanbhag were appointed as Executive Chairman and Managing Director and Whole-time Director of the Company respectively at the 23rd Annual General Meeting held on 25th September, 2010, for a period of 3 years from 1st October, 2010. Dr. Vithal V. Kamat and Mr. Ramesh N. Shanbhag are proposed to be re-appointed as Executive Chairman and Managing Director and Whole-time Director respectively for a period of 3 years from 1st October, 2013, subject to the shareholders' approval. The notice of the ensuing Annual General Meeting contains necessary resolutions in this regard.

Brief profile of Mr. Ved Prakash Khurana and Mr. Vikram V. Kamat, Directors retiring by rotation, Dr. Vithal V. Kamat, Executive Chairman and Managing Director and Mr. Ramesh N. Shanbhag, Whole-time Director is given in Annexure II to the Notice convening the ensuing 26th Annual General Meeting.

Mr. Aswini Sahoo, a Nominee Director of Clearwater Capital Partners (Cyprus) Limited and Mr. T.M. Mohan Nambiar resigned as director on the Board of the Company with effect from 10th July, 2012 and 8th February, 2013 respectively. The Board of Directors place on record its sincere appreciation for the valuable support and guidance given by Mr. T. M. Mohan Nambiar and Mr. Aswini Sahoo to the Company during their tenure as Director of the Company.

EMPLOYEE STOCK OPTION SCHEME

In order to retain and motivate the team of talented senior management and key employees, it is proposed to grant to the eligible employees, options to acquire the equity shares of the Company under Employee Stock Option Scheme as per Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 and other applicable acts, rules and regulations.

OPEN OFFER

The erstwhile FCCBs holder acquired 17,32,150 equity shares of ₹ 10/- each in the capital of the Company through Open Offer in terms of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011 increasing its holding, together with shareholding of person acting in concert to 41.3% of the total capital of the Company.

FIXED DEPOSITS

During the year under review, the Company has neither invited nor accepted any fixed deposit with in the meaning of Section 58A of the Companies Act, 1956 or rules made thereunder.

PARTICULARS OF EMPLOYEES

Information in accordance with sub-section (2A) of Section 217 of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 as amended and forming part of the Directors' Report for the year ended 31st March, 2013 is given in Annexure "A" to the Report.

DIRECTORS' RESPONSIBILITY STATEMENT

As required by Section 217(2AA) of the Companies Act, 1956 the Directors hereby confirm:

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures.
2. That the selected accounting policies were applied consistently and the Directors 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, 2013 and of the loss of the Company for the financial year ended on that date.
3. That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 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. That the annual accounts have been prepared on a going concern basis.

ADDITIONAL INFORMATION REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

- a) Conservation of Energy: The Company continued energy conservation efforts during the year. It has closely monitored power consumption and running hours on day to day basis, thus resulting in optimum utilization of energy. The hotel is fitted with energy saving devices to conserve energy in the long run.
- b) Technology Absorption: The activities of the Company at present do not involve technology absorption and research and development.
- c) Foreign exchange earnings and outgo:
Earnings: ₹ 1,264.25 Lakhs (Previous Year ₹ 923.12 Lakhs)
Utilization (including import of capital goods): ₹ 20.23 Lakhs (Previous Year ₹ 56.56 Lakhs)

DISCLOSURES RELATING TO UNCLAIMED SUSPENSE ACCOUNT AS PER AMENDED CLAUSE 5A OF THE LISTING AGREEMENT

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

* Since the unclaimed suspense account was opened by the Company as on 13/07/2012 as per clause 5A of the Listing Agreement, details are from 13/07/2012.

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

CORPORATE GOVERNANCE

As per Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on Management Discussion and Analysis and Corporate Governance Report together with a certificate from the Company's Auditors confirming compliance is given in Annexure "B" and "C" forming part of this report.

CORPORATE SOCIAL RESPONSIBILITY

The major initiatives taken by the Company under Corporate Social Responsibility are in the area of environment. 'The Orchid', flagship hotel of the Company has taken various initiatives for creating awareness and conservation of environment, some of which are as under:

- The Orchid has adopted and maintains gardens and traffic islands around the Mumbai city for beautification purposes and improvement of overall environment.
- The Orchid along with the Municipal Corporation of Greater Mumbai has initiated the Nirmalya Project wherein Nirmalya generated during the Ganesh festival is collected, segregated and converted into valuable vermicompost to ensure that the Nirmalya is not dumped. Nirmalya Project was acknowledged by granting The Golden Star- Most Admired CSR practice of the Year Award by the Stars of the Industry group.
- The Orchid celebrated World Environment Week and distributed around 2500 pouches of vermicompost and basil seed packs and spread the message of the need to combat global warming, the importance of planting trees and managing solid waste. Also, interesting documentaries on wildlife were screened and several fun eco games were organized for the kids.
- Old plastic cans, converted into nest boxes have been up in the hotel lane to conserve sparrows. These boxes are also distributed to the employees and the guests of the hotel.
- Several events namely poster competition, wealth out of waste competition, quiz competition, photography competition, screening of documentaries on the environment, interactive sessions with NGO Green peace on Global warming and conservation of the environment were held to increase awareness of environmental issues.
- The Orchid is one of the few hotels to spread environmental awareness to students of schools and colleges who are invited to The Orchid on regular basis where they are educated about solid waste management, energy efficiency and water conservation and preservation and taught about vermiculture, 4 bin segregation system, water saving measures, and other environmental practices. During the year under review, more than 300 students visited the hotel.
- Earth Hour 2013 was observed in The Orchid by switching off non essential lights of the hotel to accomplish the endeavour to mobilize the entire globe to take action against Climate change.
- A silent rally was conducted by Green team members of The Orchid prior to Diwali to urge the public to reduce air and noise pollution in the city by not using fire crackers.
- As a caring corporate citizen, your Company has recruited reasonable number of physically challenged persons, thereby providing employment opportunities to this under privileged segment of the society.

'GO GREEN' INITIATIVE

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" (Circular No. 17/2011 dated 21.04.2011 and issued Circular No. 18/2011 dated 29.04.2011) permitting companies to send various notices / documents to their shareholders through electronic mode. Keeping in view the underlying theme of the circulars issued by MCA, your Company has been sending all communications / documents including the Notice calling the Annual General Meeting, audited financial statements, directors' report, auditors' report etc., in electronic form unless otherwise requested in writing by shareholders.

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.

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, security trustees, Stock Exchanges, Department of Tourism, Municipal authorities, the Government of Maharashtra, the Central Government, suppliers, clientele and the staff of the Company and look forward to their continued support. The Directors also thank the shareholders for continuing their support and confidence in the Company and its management.

ON BEHALF OF THE BOARD OF DIRECTORS

Dr. Vithal V. Kamat
Executive Chairman & Managing Director

Place: Mumbai
Date: 25th May, 2013

ANNEXURE 'A' TO THE DIRECTORS' REPORT, 2013

Information as per Section 217 (2A) read with the Companies (Particulars of Employees) Rules, 1975 and Companies (Particulars of Employees) Amendment Rules, 2011 and forming part of the Directors' Report for the year ended 31st March 2013.

Name	Designation	Qualifications	Remuneration (₹)	Experience Years	Age Years	Date of Commencement 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/-	40	61	01-04-1994	Plaza Hotels Pvt. Ltd. (Director)

Notes:

- The nature of employment is contractual.
- The remuneration shown above is gross excluding certain perquisites.
- 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.
- Relationship: Dr. Vithal V. Kamat, Executive Chairman and Managing Director is related to Mr. Vikram V. Kamat, Executive Director.

ANNEXURE 'B' TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS ENVIRONMENT, INDUSTRY STRUCTURE, DEVELOPMENT AND OUTLOOK

The Gross Domestic Product (GDP) growth of the country during 2012-13 languished to decade low of 5% on account of poor performance of manufacturing, agriculture and service sector, besides global slowdown leading to uncertain investment climate and fall in exports. The current account deficit which reached to a historic high of 6.7% of GDP in quarter ended December, 2012, is estimated to be around 5% of GDP for 2012-13. Logistic issues and poor performance by agriculture sector have led to increase in food prices, a crucial determinant of inflation. The weakening domestic fundamentals, rise in current account deficit, fiscal deficit, lower saving and investments and inflation remain major areas of concern for the economy. The recent softening of global commodity prices including crude oil has spurred hope of bringing down the current account deficit to manageable level of 2.5% of GDP in next two to three years. With expectations of good monsoon, inflation is also expected to decline. The World Bank has forecasted India's GDP growth of 6.1% in 2013-14 and 6.7% in 2014-15 and believes that despite the current downturn, long-term prospects remain bright for India because India possesses the fundamentals to grow at sustained high rates over the next several decades.

Due to overall negative conditions, year 2012-13 started on weak note for hotel industry. Sluggish trends prevailed throughout the year. The supply in hospitality segment across the country has seen increase with many more projects in pipeline, though the demand has remained low. The incremental supply of rooms over next two to three years is expected to be much more than the incremental demand and this mismatch will lead to fall in the Industry RevPar. With subdued demand coupled with increased supply, the ARR's have seen a downward trend. One of the other factors for discounted ARR is battle to capture footfalls and to get bulk business. With ever increasing expenditure and decreasing ARR, hotels across all segments are witnessing erosion in operating margins. To overcome impact of low ARR and occupancy hotels are shifting their focus towards Food and Beverage (F&B) and Meetings, Incentives, Conferences and Events (MICE) segment.

Foreign Tourist Arrival (FTAs) in India during the year 2012 were 66.48 lakhs compared to the FTAs of 63.09 lakh in the year 2011. The growth rate in FTA has reduced to 5.4% in the year 2012 as compared with a growth rate of 9.2% during the year 2011 due to Euro zone crises and global slowdown. Foreign Exchange Earnings (FEEs) from tourism during 2012 were ₹ 94,487 crore with a growth rate of 21.8 %, as compared to the FEEs of ₹ 77,591 crore with a growth rate of 19.6% during the year 2011 perhaps due to increased cost of traveling and fluctuating exchange rate. In reverse to FTAs, domestic tourism has continued to increase and has held up as the travel is not restricted to leisure and recreation but also for social-cultural, religious, socio educational purpose too. Increase in income and modernized standard of living are also factors affecting growth in domestic travel.

As per the United Nations World Tourism Organization, tourism accounts for around 6-7% of global employment (direct and indirect) and 5% of global income. The share of employment of skilled and unskilled labour in hotels and restaurant sector is increasing over a period of time. To improvise it further, special programme called "Hunar Se Rozgar" offering training courses for employment in the hospitality industry was launched by the Ministry of Tourism, which has had a good response.

Government of India, Ministry of Tourism constantly undertakes various initiatives to promote tourism and to position India in the global tourism generating markets and to make it as a preferred tourism destination. The scheme of granting tourist 'Visa on Arrival' has had a positive response. To attract foreign tourists coming to India for medical treatment, 'medical visa' category had been introduced. Efforts are being made by the Government to overcome seasonality of tourism, to create a niche to attract tourist with specific interest and ensure repetitive visits. Various consultations, negotiations, meetings with the international organizations are undertaken by the Government for execution of Agreements/Memorandum of Understanding for bilateral and multi lateral cooperation for promotion of tourism. The Government has taken various initiatives like Incredible India, Atithi Devo Bhava, off beat activities like golf, polo, wellness, adventure, eco, cruise, film, rural, caravan, responsible tourism, activities relating to advertising in the print and electronic media, participation in fairs and exhibitions, organizing seminars, workshops, road shows, brochure support/joint advertising with travel agents / tour operators, inviting the media and travel trade to visit the country under the hospitality programme etc. for boosting tourism.

The Government has approved setting up of Hospitality Development and Promotion Board by the Ministry of Tourism to facilitate implementation of hotel project, expeditious clearance of multiple approvals and transparent system for the effective monitoring of hotel projects. Other tax relief's like the five-year tax holiday for 2, 3, and 4 star category hotels located around all United Nations Educational, Scientific, and Cultural Organization (UNESCO) World Heritage sites and investment-linked deduction under Section 35 AD of the Income Tax Act extended to new hotels of 2 star category and above anywhere in India are expected to attract interest in hotels and hospitality sector. Continuous efforts of Government have brought growth in this industry but still there is a lot of scope remaining to be exploited.

OPPORTUNITIES, THREATS, RISKS AND CONCERNS

Tourism has tremendous growth potential due to readymade tourist destination and resources, rich heritage and diverse culture in the Country, availability of cheap manpower etc. which attract tourist all round the year. Wide variety of hotels including heritage hotels provides tourist with unique experience and fulfill their demands. This sector doesn't have any geographical limits and it also helps in upgrading even the most remote and backward area. High end technology, internet and online mode of booking have simplified things for tourists. Further, continuous initiatives by the government has advanced tourism sector.

Alongwith the opportunities, there are various menace and difficulties present. The high capital and long period for implementation of projects, instability in political conditions, multiple layers of tax structure like expenditure tax, luxury tax and sales tax which inflate the expenses, heavy road taxes, unorganized system of transport, lack of skills and standards of service of manpower, high maintenance, increase in cost etc. act as hurdles and concerns.

Threats like terrorist attacks, natural calamity, safety for women, standards of hygiene, epidemics, disturbance of ecosystem has negative impact over the potential tourists. The Audit Committee and the Board periodically discuss the significant business risks identified by the Management and review the measures taken for their mitigation.

REVIEW OF OPERATIONAL AND FINANCIAL PERFORMANCE

The Company has achieved an aggregate turnover of ₹ 16,287.26 lakhs for the financial year ended on 31st March, 2013 as against the turnover of ₹ 16,391.81 lakhs for the previous financial year. The loss after taxes for the year under review was ₹ 566.39 lakhs as against profit after taxes of ₹ 99.19 lakhs for the previous year. The Average Room Rate, during the year under review was recorded at ₹ 5,127/- at The Orchid as compared to ₹ 5,521/- in the previous year and at ₹ 3,281/- at VITS as compared to ₹ 3,410/- 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, Mumbai and M/s. Suhas M. Joshi, 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 1383 employees as on 31st March, 2013. 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 “C” TO THE DIRECTORS’ 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 Directors’ Report.

BOARD OF DIRECTORS

Composition, category of directors and their attendance at Board Meetings:

The Board of Directors has an optimum combination of executive, non-executive and independent directors. 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, 2013. The Board comprises of six directors including three executive directors and three independent non executive directors. The directors are eminent personalities in their respective fields like, hoteliering, banking, finance, management, accounting and general administration. This combination has helped the company to take the benefit of rich experience and expertise of the directors in their core areas of competence.

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

Name	Designation and Category	Board membership in other Companies*	Chairmanship of committees in other Companies	Membership (including Chairmanship) of committees in other Companies	No. of Board Meetings of the Company attended	Last AGM Attendance (Yes/No)
Dr. Vithal V. Kamat	Executive Chairman & Managing Director (Promoter)	7	-	-	7	Yes
Mr. Ramesh N. Shanbhag	Whole-Time Director	7	-	-	7	Yes
Mr. S. S. Thakur	Independent Non-Executive Director	5	2	7	7	Yes
Mr. Ved Prakash Khurana	Independent Non-Executive Director	1	-	-	7	Yes
Mrs. Rajyalakshmi Rao	Independent Non-Executive Director	2	-	-	7	Yes
Mr. Vikram V. Kamat	Executive Director (Promoter)	4	-	-	7	Yes

*Excluding private limited company which is neither a subsidiary nor a holding company of a public company, non profit companies registered under section 25 of the Companies Act, 1956, unlimited companies and companies where the director is an alternate director, as per Section 278 of the Companies Act, 1956.

During the financial year 2012-2013, seven Board meetings were held on 26th May, 2012, 10th July, 2012, 11th August, 2012, 15th September, 2012, 10th November, 2012, 5th February, 2013 and 23rd March, 2013. All the above mentioned directors were present in all the seven board meetings held during 2012-13.

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 in which he/she is a director. For the purpose of reckoning this limit, only membership and chairmanship of the Audit Committee and the Shareholders’ Grievance Committee of directors have been considered. Necessary disclosures have been made by the directors in this regard.

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

BOARD PROCEDURE

The Board of Directors, in its meetings, focuses mainly on issues concerning policy and business strategies and deals with important issues relating to business development, internal controls, regulatory compliance and other matters which need to be considered by the Board for ensuring good corporate governance and enhancing the Company’s network and value to the shareholders. The Board also reviews the performance of all the divisions of the Company.

COMMITTEES OF THE BOARD

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

AUDIT COMMITTEE

The Company has set up a competent Audit Committee. The Chairman of the Committee Mr. Ved Prakash Khurana, is an independent director who is a Post Graduate in Philosophy from Delhi University having over three decades of experience in areas of banking and financial management. Mr. S. S. Thakur and Mr. Vikram V. Kamat are other members of the Committee. Mr. S. S. Thakur is an independent director possessing vast experience, knowledge and management expertise in banking, accounting and financial fields. Mr. Vikram V. Kamat was inducted as a member of the Audit Committee with effect from 4th May, 2013 in place of Mr. T.M.Mohan Nambiar. He possesses expertise in hotel operations and management of the Company. Two third of the members of the Audit Committee are independent directors.

The terms of reference of the Audit Committee are in conformity with clause 49 of the Listing Agreement. Accordingly, the Audit Committee, inter-alia, oversees the Company's financial reporting process, ensures correct and adequate disclosure of financial information and reviews financial statements, adequacy of internal control systems and compliance of generally accepted accounting principles. The Committee also recommends the appointment of Statutory Auditors and fixation of their audit fees.

During the year under review four meetings of the Audit Committee were held on 26th May, 2012, 11th August, 2012, 10th November, 2012 and 5th February, 2013. 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. Ved Prakash Khurana	Chairman	4
2	Mr. S. S. Thakur	Member	4
3	Mr. T. M. Mohan Nambiar (Resigned w.e.f 08/02/2013)	Member	4
4	Mr. Vikram V. Kamat	Member	N.A*

* Inducted as member of the Audit Committee w.e.f 4th May, 2013.

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

REMUNERATION COMMITTEE

Mrs. Rajyalakshmi Rao was inducted as a member of the Remuneration Committee in place of Mr. T. M. Mohan Nambiar with effect from 4th May, 2013. Mrs. Rajyalakshmi Rao is B. Com., M.B.A. (Marketing) and M. S. (Advertising) from University of Illinois-Urbana Champaign (U. S. A.). She was a member of National Commission for Consumer Grievances Redressal, India and is a contributory to the cause of consumers. She has also been a member of various academic organisations.

The scope and broad terms of reference of the Remuneration Committee are:

- To review the remuneration package of the executive directors and recommend suitable annual revision within the upper limit sanctioned by the members.
- To recommend compensation, if any, to the non-executive directors in accordance with the Companies Act, 1956.

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

Sr. No	Name of the Member	Category	Meetings Attended
1	Mr. S. S. Thakur	Chairman	2
2	Mr. Ved Prakash Khurana	Member	2
3	Mr. T. M. Mohan Nambiar (Resigned w.e.f 08/02/2013)	Member	2
4	Mrs. Rajyalakshmi Rao	Member	N.A*

* Inducted as member of the Remuneration Committee w.e.f. 4th May, 2013.

Two meetings of the Remuneration Committee were held on 26th May, 2012 and 11th August, 2012. The Company Secretary, Mr. Mahesh Kandoi is currently the secretary of the Committee.

Details of remuneration paid to Executive Directors during the year 2012-13 are:

Name of the Director & Designation	Salary (₹)	Perquisites (₹)	Tenure/ Notice period / Severance fees
* Dr. Vithal V. Kamat Executive Chairman and Managing Director	96,00,000	9,57,809	Tenure: 1st October, 2010 to 30 th September, 2013 Notice Period: Six Months Severance fees: NIL
Mr. Ramesh N. Shanbhag Whole-time Director	36,00,000	3,81,200	Tenure: 1 st October, 2010 to 30 th September, 2013 Notice Period: Three Months Severance fees: NIL
Mr. Vikram V. Kamat Executive Director	30,00,000	2,76,480	Tenure: 1 st October, 2011 to 30 th September, 2014 Notice Period: Three Months Severance fees: NIL

*Note: The Board of Directors of the Company has decided to make an application under section 309(5B) of the Companies Act, 1956 to the Central Government for waiver of remuneration paid in excess of the limit prescribed in para B of Section II(1) of Part II of Schedule XIII of the Companies Act, 1956 to Dr. Vithal V. Kamat, Executive Chairman and Managing Director during the financial year 2012-2013.

The Central Government vide its letter No. B42222729 / 4 / 2012 - CL-VII dated 19th October, 2012, in exercise of powers conferred on it under Section 309(5B) of the Companies Act, 1956, permitted waiver of recovery of managerial remuneration paid in excess of the limits of Schedule XIII of the Companies Act, 1956 to Dr. Vithal V. Kamat, Executive Chairman and Managing Director of the Company during the financial year 2011-2012.

No payment of commission to the Executive and Non-Executive Directors was made for the period from 1st April, 2012 to 31st March, 2013 considering the financial performance of the Company.

DETAILS OF SITTING FEES PAID TO NON EXECUTIVE DIRECTORS

Name of the Director	Amount in ₹
Mr. S. S. Thakur	2,30,000
Mr. Ved Prakash Khurana	2,35,000
Mr. T. M. Mohan Nambiar	2,10,000
Mrs. Rajyalakshmi Rao	1,40,000
Total	8,15,000

No Bonus, stock options, or performance linked incentives were provided to any of the Directors of the Company during the period from 1st April, 2012 to 31st March, 2013.

NUMBER OF SHARES AND CONVERTIBLE INSTRUMENTS HELD BY NON- EXECUTIVE DIRECTOR

Name	No. of Shares	No. of Convertible Instruments
Mr. S. S. Thakur	NIL	NIL
Mr. V. P. Khurana	NIL	NIL
Mrs. Rajyalakshmi Rao	NIL	NIL

SHAREHOLDERS' GRIEVANCE COMMITTEE

The composition of the Shareholders' Grievance Committee and attendance of the members in its Meeting:

Sr. No.	Name of the Members	Category	Meeting Attended
1	Mr. Ved Prakash Khurana	Chairman	1
2	Mr. Ramesh N. Shanbhag	Member	1

A meeting of the Shareholders' Grievances Committee was held on 26th May, 2012, during the financial year 2012-2013.

The Company Secretary, Mr. Mahesh Kandoi is currently 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 Shareholders' Grievance Committee.

The scope and broad terms of reference of the Shareholders' Grievances 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 9 shareholders' complaints, which were promptly responded and resolved to the satisfaction of the concerned shareholders. As on 31st March, 2013 there were no pending share transfers with the Company.

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

Particulars	Extra- Ordinary General Meeting	FY-2009-2010 AGM	FY-2010-2011 AGM	Court Convened Meeting	FY-2011-2012 AGM
Date	10 th June, 2010	25 th September, 2010	24 th September, 2011	24 th September, 2011	15 th September, 2012
Location	Hotel VITS, Dhanodham, Kondivita Road, Off. Andheri Kurla Road, Andheri (East), Mumbai- 400 059	"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	"Shubham Hall", Landmark Building, Opposite Vile Parle Railway Station, Junction of Besant Road and V. P. Road, Vile Parle (West), Mumbai – 400 056
Time	3.00 p.m.	3.00 p.m.	2.00 p.m.	4.00 p.m.	3.00 p.m.

Two Special Resolutions were passed at each of the Annual General Meetings held on 25th September, 2010 and 24th September, 2011 and one Special Resolution was passed at the Extra-Ordinary General Meeting held on 10th June, 2010. No Special Resolution was passed at the Annual General Meeting held on 15th September, 2012.

POSTAL BALLOT

The Company had not passed any resolution in the last year through Postal Ballot. Special Resolutions for i) approval of Corporate Debt restructuring Package and ii) approval for issue of equity shares of the Company on preferential basis to the promoters/Promoters Group of the Company are proposed to be passed through Postal Ballot.

SUBSIDIARY COMPANIES

Mr. Ved Prakash Khurana, 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 11th May, 2010. The minutes of the Board meetings of all the subsidiary companies are placed before the meetings of the Board of Directors of the Company.

DISCLOSURES

CEO and CFO Certification:

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

Related Party Transactions:

Transactions with the related parties are disclosed in note No. 34 of the Notes to Financial Statement in the Annual Report.

The Company has not entered into any transactions of material nature with any of its related parties that may have potential conflict with the interest of the Company.

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.

There is no formal Whistle Blower Policy but no employee is denied access to the Audit Committee or the Board.

The Company is compliant with all the mandatory clauses.

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 Directors' Report.

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 Balance Sheet is posted on the website "www.khil.com"

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

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

Telephone No. : 022 2616 4000; Fax No. : 022 2616 4115; Email : cs@khil.com; Website : www.khil.com

GENERAL SHAREHOLDERS INFORMATION

1. Annual General Meeting

Date : 21st September, 2013

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. Tentative Financial Calendar

Audited Annual Accounts for the year 2012 –2013	25 th May, 2013 (B M)*
Unaudited 1 st quarter Results (June 30, 2013)	12 th August, 2013
Mailing of Annual Report	on or before 20 th August, 2013
Annual General Meeting	21 st September, 2013
Unaudited 2 nd quarter Results (September 30, 2013)	31 st October, 2013 (B M)*
Unaudited 3 rd quarter Results (December 31, 2013)	8 th February, 2014 (B M)*
Unaudited 4 th quarter Results (March 31, 2014)	By 30 th April, 2014 (B M)*
In case of audited results for the financial year 2013-14	By 30 th May, 2014 (B M)*

* (B M) – Board Meeting

3. Dates of book closure: from Tuesday 10th September, 2013 to Saturday, 21st September, 2013 (both days inclusive)

4. Dividend payment date for Dividend 2012-2013: -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

MCX Stock Exchange Limited - KAMATHOTEL

The Company has paid listing fee to all the Stock Exchanges upto the financial year 2013-2014.

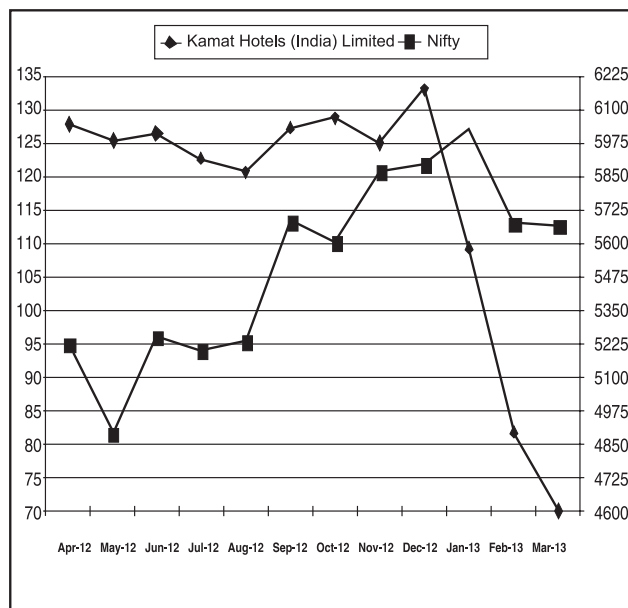
6. Stock Market Price Data

Month	Bombay Stock Exchange Limited		National Stock Exchange of India Limited	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2012	129.00	124.00	130.00	125.65
May 2012	135.00	115.60	130.40	125.00
June 2012	128.95	125.00	129.00	125.15
July 2012	131.00	121.05	132.00	117.00
August 2012	124.65	120.20	130.00	120.30
September 2012	128.50	121.00	128.35	120.75
October 2012	131.00	125.00	135.00	125.00
November 2012	130.95	122.95	131.50	120.00
December 2012	134.00	125.30	134.00	125.60
January 2013	133.40	108.15	133.40	108.15
February 2013	118.65	85.00	112.00	82.55
March 2013	89.80	70.05	90.00	68.15

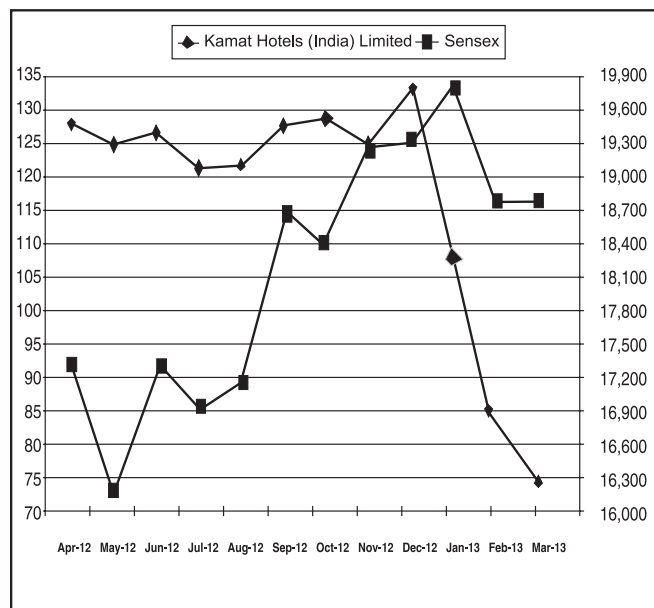
Since equity shares of the Company were listed on MCX Stock Exchange Limited (MCX) w.e.f. 24th May, 2013, the aforesaid details of MCX are not given.

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 Registrar and Share Transfer Agent at the address mentioned above or the Company Secretary at the Registered Office of the Company.

9. Share Transfer System

The Share Transfer Committee constituted by the Board considers and approves all physical form share 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. Ramesh N. Shanbhag - Whole-time Director
Mr. Vikram V. Kamat - Executive Director

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, 2013.

Shareholding of Nominal Value ₹		Number of Shareholders	% of Total	Nominal value ₹	% of Total
1	5,000	6,613	94.3771	74,71,650	3.9132
5,001	10,000	223	3.1825	18,33,250	0.9601
10,001	20,000	89	1.2702	14,10,560	0.7388
20,001	30,000	30	0.4281	7,50,490	0.3931
30,001	40,000	11	0.1570	3,77,990	0.1980
40,001	50,000	7	0.0999	3,32,530	0.1742
50,001	1,00,000	12	0.1713	9,44,730	0.4948
Above 1,00,001		22	0.3140	17,78,12,740	93.1279
Total		7,007	100	19,09,33,940	100

Category of Shareholdings as on 31st March, 2013.

Category	Shares	% of Total
Promoter and Promoter group	98,71,296	51.7001
Directors and their Relatives (other than Promoter)	2351	0.0123
Mutual Fund	1,000	0.0052
NRI/OCBs	80,47,680	42.1490
<u>Public:</u>		
-Corporate Bodies	70,719	0.3704
- Individual and Others	11,00,348	5.7630
Total	1,90,93,394	100

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

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

12. Dematerialisation of Shares

As on 31st March, 2013, 1,87,42,532 equity shares (98.16% 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.

13. Location of Hotels / Restaurants:

1. The Orchid, 70-C, Nehru Road, Vile Parle (East), 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 Jadhavgad, 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) Ruchira Nashik- Suman Vihar Near Cbs, Old Agra Road, Opposite SBI, Nasik 422001, Mobile-9004397910.
 - ii) 37/2, Mumbai-Goa Highway, Near Karnala Bird Sanctuary, Village Chinchvan, Panvel, District Raigad 410206, Mobile- 9004075986.
 - iii) Pride Manor- Shaan Complex, Village Sawarkhand, Mastan Naka, NH 08, Manor, Taluka Palghar, District Thane 401403, Mobile-9987573840.
 - iv) Treeo Manor- NH 08, Manor, Taluka Palghar, District Thane 401 403, Mobile-9987579826.
 - v) Near Toll Plaza at Post Wagunde, Budruk, Pune-Nagar Road 414301, Mobile- 9987573823.
 - vi) Shop No. 26,27, Moraj Residency, Plot No.1, Sector 16, Moraj Circle, Sanpada, Navi Mumbai – 400706. (Closed in current year)
 - vii) C/o Jairaj Rane, Sriramwadi, N.H.17, At Post Kudal, Dist Sindhudurg-416520. (Closed in current year)

14. Address for Correspondence

Registered Office: KHIL House, 70-C, Nehru Road, Near Santacruz Airport, Vile Parle (East), Mumbai - 400 099, Maharashtra, India.
Contact Person: Mr. Mahesh Kandoi, Company Secretary and Compliance Officer, Telephone: 022 - 26164000, Fax: 022 26164115,
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 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, 2013, as envisaged in clause 49 of the listing agreement with stock exchanges.

16. Disclosure of relationship between directors

Name of the Director
Dr. Vithal V. Kamat, Executive Chairman
and Managing Director

Relationship
Father of Mr. Vikram V. Kamat,
Executive Director

ON BEHALF OF BOARD OF DIRECTORS

Place : Mumbai
Date : 25th May, 2013

Dr. Vithal V. Kamat
Executive Chairman and Managing Director

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

To the shareholders of **Kamat Hotels (India) Limited**

We have examined the compliance of conditions of Corporate Governance by **Kamat Hotels (India) Limited**, for the year ended 31st March, 2013 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

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

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

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

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

J.G.VERMA
Partner
Membership No. 5005

Mumbai: 25th May, 2013

INDEPENDENT AUDITORS' REPORT

TO

THE MEMBERS OF KAMAT HOTELS (INDIA) LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **KAMAT HOTELS (INDIA) LIMITED**, ("the Company") which comprise of Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and 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 Financial Statements

Management is responsible for the preparation of these 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 risks assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedure that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of the accounting estimates made by the management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) In the case of the Balance Sheet, of the state of the affairs of the Company as at 31st March, 2013;
- (ii) In the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and
- (iii) In the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order
2. As required by section 227 (3) of the Act, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) 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;
 - (c) 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;
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report, comply with the applicable Accounting Standards referred to in sub-section (3-C) of Section 211 of the Companies Act, 1956; and
 - (e) On the basis of written representations received from the Directors of the Company, and taken on record by the Board of Directors, we report that none of the directors of the Company is disqualified as on 31st March, 2013 from being appointed as a director under clause (g) of sub-section (1) of Section 274 of the Act.

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

J.G.VERMA
Partner
Membership No. 5005

Mumbai: 25th May, 2013

ANNEXURE TO THE AUDITORS' REPORT

The Annexure referred to in our report to the members of **Kamat Hotels (India) Limited** for the year ended 31st March, 2013. 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) There has not been any significant disposal of fixed assets during the year affecting the going concern status.
2. (a) As explained to us, physical verification of inventories has been conducted by the management at reasonable intervals.
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) On the basis of our examination of the inventory records of the Company, we are of the opinion that the company is maintaining proper records of inventory. Discrepancies, which were noticed on physical verification of inventory as compared to book records, were not material and have been properly dealt with in the books of account.
- (3) In respect of the loans, secured or unsecured granted to or taken from companies, firms or other parties covered in the Register maintained under Register 301 of the Companies Act, 1956:
 - (a) The Company has given an unsecured loan of ₹ 19,648.99 lakhs (maximum balance ₹ 19,648.99 lakhs) to one of its subsidiaries.
 - (b) In our opinion and according to the information and explanations given to us, the terms and conditions of the above loan are *prima facie* not prejudicial to the interest of the Company.
 - (c) The above loan was not due for refund during the year and accordingly our comments on the regularity of receipt of the principal amount of this loan are not given. Interest has been charged but not recovered.
 - (d) There was no overdue amount in excess of Rupees one lakh in respect of the principal amount of the loan given by the Company. The outstanding interest receivable as at 31st March, 2013 was ₹ 2,355.25 lakhs.
 - (e) Unsecured interest free loans aggregating to ₹ 43.79 lakhs (maximum balance ₹ 43.79 lakhs) from four such parties were transferred to the Company under the Composite Scheme of Arrangement and Amalgamation in the previous year which have been fully repaid by the Company during the year under report.
 - (f) As stated above, the above loans have been fully repaid during the year and accordingly our comments on the regularity of payment of the principal amount are not given.
4. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
5. To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, (a) the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section; and (b) such transactions exceeding the value of Rupees five lakhs in respect of any party during the year have been made at prices, which are reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public within the meaning of Section 58A 58AA and other provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975. Hence the clause (vi) of the Order is not applicable to the Company.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. The maintenance of cost records has not been prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 for any of the products of the Company.
9. (a) According to the records of the Company and the information and explanations given to us, the Company has *generally* been regular in depositing undisputed statutory dues, including provident fund, investor education and protection fund, employees state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other applicable statutory dues with the appropriate authorities during the year though *there has been a slight delay in a few cases*. According to the information and explanations given to us, there are no amounts payable in respect of undisputed statutory dues as at 31st March, 2013 which were outstanding for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the documents and records, there are no cases of non-deposit with appropriate authorities of disputed dues of sales-tax, wealth tax, service tax, customs duty, excise duty, cess. The details of disputed income-tax are as under:

Name of the Statute / Nature of the dues and period	Amount (Rupees in lakhs)	Forum where dispute is pending
Income Tax Act, 1961 - Assessment year 2006-07	2.89	Income Tax Appellate Tribunal
Income Tax Act, 1961 - Assessment year 2008-09	728.40 (*)	Income Tax Appellate Tribunal
Income Tax Act, 1961 - Assessment year 2008-09 (pertaining to an erstwhile Company merged with the Company)	6.21	Income Tax Appellate Tribunal
Income Tax Act, 1961 - Assessment year 2010-11	6.01	Commissioner of Income-tax (Appeals)

(*) On giving effect to Order in first appeal, which is pending, this demand will get reduced to ₹ 190.27 lakhs.

10. The Company does not have accumulated losses at the end of the financial year and has not incurred any cash losses either during the financial year under report or immediately preceding financial year.
11. Based on our audit procedures and the information and explanations given to us and in view of Corporate Debt Restructuring (CDR) approved by the CDR Empowered Group as explained in Note 6.4 of Notes to Financial Statements, the Company has not defaulted in repayment of dues to financial institution and banks. The Company has not borrowed any money by way of debentures.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities during the year.
13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company.
14. The Company is not a dealer or trader in shares, securities, debentures, and other investments.
15. According to the information and explanations given to us, the Company has given guarantees for loans taken by others from banks, the terms and conditions whereof, in our opinion, are not *prima facie* prejudicial to the interest of the Company.
16. According to the information and explanations given to us, the term loans raised by the Company were, *prima facie* applied by the Company during the year for the purposes for which the loans were obtained.
17. According to the information and explanations given to us and on an overall examination of the Balance sheet of the Company, we report funds raised on short term basis have, *prima facie*, not been used during the year for long term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued debentures and hence the clause (xix) of Paragraph 4 of the Order is not applicable.
20. The Company has not raised money by public issue during the year,
21. To the best of our knowledge and belief, and according to the information given to us, no fraud on or by the Company was noticed or reported during the year.

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

J.G.VERMA
Partner
Membership No. 5005

Mumbai: 25th May, 2013

BALANCE SHEET AS AT 31ST MARCH, 2013

	NOTE	AS AT 31ST MARCH, 2013	₹ In Lakhs AS AT 31ST MARCH, 2012
<u>EQUITY AND LIABILITIES:</u>			
Shareholders' Funds:			
(a) Share Capital	3	1,968.19	1,968.19
(b) Reserves and Surplus	4	22,642.61	23,209.01
		24,610.80	25,177.20
Share Application Money Pending Allotment	5	2,186.10	286.10
<u>Non-Current Liabilities:</u>			
(a) Long Term Borrowings	6	21,771.59	33,950.32
(b) Deferred Tax Liabilities (Net)	7	2,372.02	2,902.84
(c) Other Long Term Liabilities	8	3,416.72	3,598.60
(d) Long Term Provisions	9	145.54	115.20
		27,705.87	40,566.96
<u>Current Liabilities:</u>			
(a) Short Term Borrowings	10	754.56	2,325.86
(b) Trade Payables	11	1,865.40	1,060.56
(c) Other Current Liabilities	12	23,941.33	9,526.27
(d) Short Term Provisions	13	130.20	100.35
		26,691.49	13,013.04
TOTAL		81,194.26	79,043.30
<u>ASSETS:</u>			
<u>Non-Current Assets:</u>			
(a) Fixed Assets:			
(i) Tangible Assets	14	36,621.38	38,482.93
(ii) Intangible Assets	14	60.70	74.29
(iii) Capital Work-In-Progress	14	117.52	596.49
		36,799.60	39,153.71
(b) Non-Current Investments	15	9,879.84	8,278.88
(c) Long Term Loans and Advances	16	20,511.51	16,918.78
(d) Other Non-Current Assets	17	8,189.60	8,650.90
		75,380.55	73,002.27
<u>Current Assets:</u>			
(a) Current Investments	18	5.00	5.00
(b) Inventories	19	429.95	421.27
(c) Trade Receivables	20	1,199.45	1,320.22
(d) Cash and Bank Balances	21	736.97	1,283.18
(e) Short Term Loans and Advances	22	1,032.94	1,188.42
(f) Other Current Assets	23	2,409.40	1,822.94
		5,813.71	6,041.03
TOTAL		81,194.26	79,043.30
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 **J. G. Verma & Co.**

Chartered Accountants

J. G. Verma

Partner

Mumbai: 25th May, 2013

For and on behalf of Board of Directors

Dr. Vithal V. Kamat

Executive Chairman & Managing Director

Vikram V. Kamat

Executive Director

Mahesh Kandoi

Company Secretary

Ramesh N. Shanbhag

Wholetime Director

Kurian Chandy

Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

₹ In Lakhs

	NOTE	YEAR ENDED 31ST MARCH, 2013	31ST MARCH, 2012
INCOME:			
Revenue from Operations	24	13,831.97	14,162.77
Other Income	25	2,455.29	2,229.04
Total Revenue		16,287.26	16,391.81
EXPENSES:			
Cost of Food and Beverages Consumed	26	1,529.65	1,460.91
Employee Benefit Expenses	27	3,567.56	3,392.27
Other Expenses	28	5,433.99	5,063.61
Total Expenses		10,531.20	9,916.79
Profit before Finance Costs, Depreciation, Exceptional Items and Tax:		5,756.06	6,475.02
Less: Finance Costs	29	5,950.64	4,969.77
Depreciation and Amortisation Expenses	14	1,474.64	1,360.21
Profit/(Loss) Before Exceptional Items and Tax		(1,669.22)	145.04
Exceptional Items	30	752.57	(126.43)
Profit/(Loss) Before Tax		(916.65)	18.61
Tax Expense:			
Current Tax	36	152.00	14.00
Prior Period Adjustments - Income Tax		28.56	-
Deferred Tax	7	(530.82)	(80.58)
		(350.26)	(66.58)
Less: MAT Credit Entitlement	36	-	14.00
		(350.26)	(80.58)
Profit /(Loss) for the year		(566.39)	99.19
Earning Per Equity Share of face value of ₹ 10/- each:			
Basic (in ₹)	32	(2.97)	0.62
Diluted (in ₹)	32	(2.97)	0.45
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 **J. G. Verma & Co.**
Chartered Accountants

J. G. Verma
Partner

Mumbai: 25th May, 2013

For and on behalf of Board of Directors

Dr. Vithal V. Kamat
Executive Chairman & Managing Director

Vikram V. Kamat
Executive Director

Mahesh Kandoi
Company Secretary

Ramesh N. Shanbhag
Wholetime Director

Kurian Chandy
Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

PARTICULARS	₹ In Lakhs	
	YEAR ENDED	
	31ST MARCH, 2013	31ST MARCH, 2012
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit / (Loss) for the year before tax and adjustments	(916.65)	18.61
<i>Adjustments for:</i>		
Depreciation	1,474.64	1,360.21
Amortisation of Advance Time Share Membership	(73.80)	(73.63)
(Profit) / Loss on Sale/Discard of Fixed Assets	(1,411.17)	167.03
Short / (Excess) Provision for Income Tax Written Back	-	(0.10)
Liabilities and Provisions written Back	(55.04)	(249.09)
Provision for Employee Benefits	85.19	74.69
Provision for Wealth Tax	1.60	2.15
Provision for Doubtful Debts and Deposits	592.01	0.22
Incomplete Project Expenses written off	207.93	-
Investments income	(0.51)	(0.41)
Interest income	(2,311.87)	(1,907.76)
Interest Expenses	5,950.64	4,969.77
Unrealized Exchange Loss/(Gain)	-	(3.46)
Operating profit before working capital changes	3,542.97	4,358.23
Trade Receivables and Loans and Advances	41.46	330.82
Inventories	(8.68)	(10.47)
Trade Payables and Provisions	757.99	308.48
Cash generated from operations	4,333.74	4,987.06
Direct taxes refund received (Net of payments)	75.77	(242.24)
Net cash from operating activities	4,409.51	4,744.82
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets (including Capital Work in Progress and Capital Advances)	(546.72)	(3,345.01)
Sale Proceeds of Puri Hotel on Transfer / reassignment	2,000.00	-
Sale Proceeds of Fixed Assets	707.68	738.11
Investments sold during the year	0.05	-
Investments made during the year	(0.01)	(0.08)
Loan to Subsidiary Company	(4,121.33)	(5,369.80)
Investments in Subsidiary Companies	(1,301.00)	(403.00)
Margin Money with Banks	530.94	(502.70)
Interest Received	1,725.41	658.07
Dividend Received	0.51	0.41
Net cash (used in) investing activities	(1,004.47)	(8,224.00)

CASH FLOW STATEMENT (31.03.2013) CONTD..

PARTICULARS	₹ In Lakhs	
	YEAR ENDED	
	31ST MARCH, 2013	31ST MARCH, 2012
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from long term borrowings	1,667.00	11,167.00
Repayment of long term borrowings	(1,844.64)	(4,639.15)
Proceeds from short term borrowings	3,709.73	1,434.04
Repayment of short term borrowings	(5,623.31)	(5.42)
Share Application Money Received	1,900.00	-
Interest paid	(3,226.46)	(4,790.29)
Dividend paid	(2.62)	(1.51)
Net cash from financing activities	(3,420.30)	3,164.67
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(15.26)	(314.51)
CASH AND CASH EQUIVALENTS AS AT 01.04.2012 (Opening Balance)	531.50	831.96
ADD : TRANSFERRED ON AMALGAMATION (Refer Note No. 5 (a))	-	14.05
CASH AND CASH EQUIVALENTS AS AT 31.03.2013 (Closing Balance)	516.24	531.50
Components of Cash and Cash Equivalents		
- Balance with Banks	423.57	461.78
- Cash on hand	35.12	23.90
- Cheques on hand	57.21	45.32
- Foreign Exchange in hand	0.34	0.50
Total Cash and Cash Equivalents (Note No. 21)	516.24	531.50
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

J. G. Verma
Partner

Mumbai: 25th May, 2013

For and on behalf of Board of Directors

Dr. Vithal V. Kamat
Executive Chairman & Managing Director

Vikram V. Kamat
Executive Director

Mahesh Kandoi
Company Secretary

Ramesh N. Shanbhag
Wholetime Director

Kurian Chandy
Chief Financial Officer

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

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, Kudal, Wagunde and Navi Mumbai), Goa (Benaulim) and Orissa (Puri, Ramchandi). Kamats also manages hotels and restaurants owned by others at Aurangabad, Pune, Panvel, Thane, Kalyan, Shahpur, Nashik, Mulsi Dam and Navi Mumbai.

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") and are in compliance with the Accounting Standards as notified by the Companies (Accounting Standards) Rules, 2006. 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 GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of financial statements and reported amounts of income and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from these estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

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.

Depreciation on fixed assets is provided on the straight line method pro-rata to the period of use at the rates of depreciation prescribed in Schedule XIV to the Companies Act, 1956 which are considered as the minimum rates. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on management's estimate of the useful life / remaining useful life. Buildings taken on Lease and Leasehold Improvements are written off over the primary Lease period. Individual assets costing less than ₹ 5,000/- are depreciated in full in the year of purchase.

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, 2013

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, 2013

	₹ In Lakhs	
	AS AT 31ST MARCH, 2013	AS AT 31ST MARCH, 2012
3 SHARE CAPITAL :		
AUTHORISED:		
3,42,50,000 (Previous Year 3,00,00,000) Equity Shares of ₹ 10/- each.	3,425.00	3,000.00
Add: Nil (Previous Year 42,50,000) Equity Shares of ₹ 10/- each on amalgamation (Refer Note 5)	-	425.00
	3,425.00	3,425.00
ISSUED, SUBSCRIBED AND PAID UP		
1,90,93,394 (Previous Year 1,50,41,205) Equity Shares of ₹ 10/- each, fully paid up	1,909.34	1,504.12
Add: Nil (Previous Year 40,52,189) Equity Shares of ₹ 10/- each, fully paid up	-	405.22
	1,909.34	1,909.34
Add: Forfeited Shares Account (Amount originally paid up)	58.85	58.85
Total	1,968.19	1,968.19

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 Company allotted Nil (Previous Year 40,52,189) Equity Shares of ₹10/- each as fully paid up at a premium of ₹125/- per Equity Share to the FCCB holder on conversion of balance FCCBs during the year.

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

Name of Shareholder	AS AT 31ST MARCH, 2013		AS AT 31ST MARCH, 2012	
	No of Shares	% held	No of Shares	% held
Kamat Holdings Private Limited	15,00,000	7.86	15,00,000	7.86
Plaza Hotels Private Limited	32,15,927	16.84	32,15,927	16.84
Indira Investments Private Limited	15,29,100	8.01	15,29,100	8.01
Dr. Vithal V. Kamat	10,57,376	5.54	10,57,376	5.54
Clearwater Capital Partners Cyprus Limited	76,28,149	39.95	39,41,803	20.64
Systematix Corporate Services Limited Escrow A/c Clearwater Capital Partners	-	-	19,54,196	10.23

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

	AS AT 31ST MARCH, 2013	AS AT 31ST MARCH, 2012
Particulars	No of Shares	No of Shares
Equity Shares at the beginning of the year	1,90,93,394	1,50,41,205
Add: Equity Shares issued on conversion of FCCB's	-	40,52,189
Equity Shares at the end of the year	1,90,93,394	1,90,93,394

3.5 Refer Note 5 for particulars of Equity Shares to be issued to the shareholders of erstwhile Kamat Holiday Resorts Private Limited and Kamats Restaurants Private Limited merged with the Company and shareholders of Kamats Holiday Resorts (Silvassa) Limited as a consideration for merger of its Lotus Goa Resorts during the year 2011-12.

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013
₹ In Lakhs

	AS AT 31ST MARCH, 2013	AS AT 31ST MARCH, 2012
4 RESERVES AND SURPLUS:		
Capital Reserve:		
As per last accounts	13.87	-
Add: Transferred on Amalgamation [Refer Note 5(a)]	-	13.88
	13.87	13.88
Capital Redemption Reserve:		
As per last accounts	266.50	266.50
Securities Premium Account:		
As per last accounts	12,949.70	7,855.31
Add: On issue of shares on conversion of FCCB (Refer Note 3.2)	-	5,065.24
Add: Transferred on Amalgamation [Refer Note 5 (a)]	-	29.15
	12,949.70	12,949.70
General Reserve:		
As per last accounts	3,767.09	3,761.80
Add: Transferred on Amalgamation [Refer Note 5 (a)]	-	5.29
	3,767.09	3,767.09
Amalgamation Reserve		
As per last accounts [Refer Note 5 (a)]	280.06	-
Set aside during the year	-	280.06
	280.06	280.06
Surplus in the Statement of Profit and Loss	17,277.22	17,277.23
As per last accounts	5,931.78	5,693.17
Add: Profit / (Loss) for the year	(566.39)	99.19
Sub-total	5,365.39	5,792.36
Add: Transferred on Amalgamation [Refer Note 5 (a)]	-	139.42
	5,365.39	5,931.78
Total	22,642.61	23,209.01
5 SHARE APPLICATION MONEY PENDING ALLOTMENT [Refer Note 5(a), 5(b)]	2,186.10	286.10
Total	2,186.10	286.10

5(a) COMPOSITE SCHEME OF ARRANGEMENT AND AMALGAMATION:

In terms of the "Composite Scheme of Arrangement and Amalgamation" ("the Scheme") for (i) amalgamation of Kamat Holiday Resorts Private Limited (KHRPL) and Kamats Restaurants Private Limited (KRPL) into the Company; and (ii) Demerger of 'Lotus Resort Goa Undertaking' (Lotus Resort, Goa) of Kamats Holiday Resorts (Silvassa) Limited (KHRSL) and merger thereof into the Company, as approved by the Shareholders of the Company in the court convened meeting held on 24th September, 2011 and subsequently sanctioned by the Hon'ble High Court of Judicature at Bombay under Section 391 to 394 of the Companies Act, 1956 vide its Order dated 13th January, 2012, a certified copy thereof has been filed with the Registrar of Companies on 25th February, 2012, all the assets and liabilities of the said erstwhile KHRPL and KRPL and all the assets and liabilities pertaining to Lotus Resort Goa erstwhile undertaking of KHRSL were transferred and vested in the Company with effect from the appointed date being 1st April, 2011 and the aforesaid Scheme has been given effect to in the accounts for the previous year ended 31st March, 2012.

As directed by the High Court, the Company has made an application to the Superintendent of Stamps for the purpose of adjudication of stamp duty payable on the Scheme of Arrangement and Amalgamation. Provision for stamp duty payable will be made in the books of accounts on completion of adjudication by the stamp authorities, the amount of which is yet to be ascertained.

Secondly, pursuant to the Scheme, the Company shall allot 28,61,035 Nos equity shares of ₹ 10/- each to the promoters of KHRPL, KRPL and KHRSL, which is pending. Accordingly, the paid up value of the shares to be issued has been shown under "Share Application Money-Pending Allotment" in the Balance Sheet.

- 5(b)** The Company has received share application money from two promoter-owned companies aggregating to ₹ 1900.00 lakhs (Previous year ₹ Nil) towards meeting part of promoters' obligation as per CDR Scheme. The said application money has been shown under "Share Application Money- Pending Allotment" in the Balance Sheet pending approval from the share holders of the Company by way of Special Resolution under section 81 (1A) of the Companies Act, 1956 to be passed by postal ballot.

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013
₹ In Lakhs

	AS AT 31ST MARCH, 2013	AS AT 31ST MARCH, 2012
6 LONG-TERM BORROWINGS :		
SECURED:		
A Term Loans from Banks (Refer Note 6.1)	10,876.39	19,320.82
B Term Loans under Structured Mezzanine Credit Facility from Banks (Refer Note 6.2)	6,745.43	5,372.00
C Term Loan from a Financial Institution (Refer Note 6.3)	-	2,562.50
D Term Loans From Others (Refer Note 6.3)	4,149.77	6,695.00
Total	21,771.59	33,950.32
6.1 Term loans from Banks 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 ranking pari-passu mortgage on Company's immovable property being Hotel "VITS" at Andheri (East), hypothecation on movable fixed assets of Company's hotels at Fort Jadhav Gadh Pune and VITS, Nashik, Credit Card receivables, equitable mortgage of hotel property at Lotus Goa, mortgage / hypothecation of Land and Building / Other Movable assets of the Lotus Resorts, Silvassa owned by promoter group company, personal and corporate guarantees of certain promoter directors and entities. Refer Note 6.4 for particulars of Corporate Debt Restructuring (CDR) package.		
6.2 Term Loans under Structured Mezzanine credit facility from Banks are secured by first ranking pari-passu charge on lands at "The Orchid" at Vile Parle (East) (owned by Plaza Hotels Private Limited) together with hotel buildings and all appurtenances thereon, Credit Card receivables personal and corporate guarantees of certain promoter directors and entities and certain other collateral securities.		
6.3 Term loans from Financial Institution and Others 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 ranking pari-passu mortgage on Company's immovable property being Hotel "VITS" at Andheri (East), hypothecation of all movable assets thereat, Credit Card receivables personal and corporate guarantees of certain promoter directors and entities and certain other collateral securities (Refer Note 6.4 for particulars of restructuring of debts under CDR package)		
6.4 Company's proposal for restructuring of its debts is sanctioned by the Corporate Debt Restructuring Empowered Group (CDR EG) vide sanction letter dated 12 th March, 2013 inter-alia on the following terms and conditions:		
(i) Effective date for restructuring : 1 st April, 2012		
(ii) Under the CDR package, debts are restructured as under:		
(a) Out of total debts of ₹ 42,600.83 lakhs, debts of ₹ 33,636.36 lakhs comprising of term loans, working capital loans by way of cash credit and temporary overdraft from six lenders were restructured and the lenders for the balance debts of ₹ 8,964.47 lakhs did not participate and / or were not considered for restructuring.		
(b) Out of restructured debts of ₹ 33,636.36 lakhs as above, debts aggregating to 21,092.36 lakhs to be repaid by 31 st March, 2014 out of sale proceeds of stipulated assets of the Company and balance ₹11,913.00 lakhs to be restructured as terms loans repayable in monthly installments from 1 st April, 2014 till 2020 and ₹ 718.00 lakhs as working capital – cash credit.		
(c) Unpaid Interest of ₹ 5,055.00 lakhs on restructured debts to be converted into Funded Interest Term Loan and ₹ 1,808.00 lakhs will be repaid by 31 st March, 2014 out of sale of stipulated assets of the Company and balance ₹ 3,247.00 lakhs will be repaid in 42 monthly installments from 1 st April, 2014;		
(d) Concessional and stepped up rate of interest from 10.50% pa. to 14.50 % p.a will be applied.		
(e) Promoters to bring in contribution of ₹ 3,000.00 lakhs in the company in a phased manner;		
(f) Company to provide additional security by way of (i) corporate guarantee from its subsidiary, viz. Orchid Hotels Pune Private Limited (OHPPL) and other associate companies; (ii) second pari passu charge on Company's hotel being VITS Mumbai; (iii) second pari passu charge on assets of OHPPL; (iv) pledge of shares of the OHPPL, of promoters' holding in the Company and promoters' holding in associate companies; (v) second charge on company's current assets; and (vi) personal guarantee of Mr. Vikram Kamat, Executive Director of the Company in addition to existing such guarantee given by Dr. Vithal V Kamat, Executive Chairman and Managing Director.		
(g) CDR lenders have a right to convert into equity shares of the Company either or part of the defaulted interest and principal and upto 20% of the debts outstanding beyond seven years from the date of letter of approval.		
(h) The Company is required to implement the approved package within 90 days from the date of approval on 12 th March, 2013 and the same is in progress.		

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

- (iii) In terms of the Letter of Approval dated 12th March, 2013 issued by the Corporate Debt Restructuring Cell, unpaid interest on various existing term loans for a period of 15 months from 1st April, 2012 to 30th June, 2013 is to be converted into Funded Interest Term Loan. The Company has converted an amount of ₹ 2,950.91 Lakhs in respect of unpaid interest upto 31st March, 2013 into Term Loan. An amount of ₹ 380.54 lakhs is under reconciliation with some lenders in respect of interim payments made by the Company during the pendency of its CDR application. Adjustments, if any, will be made on reconciliation and/or confirmation by those lenders.

- 6.5** Maturity Profile of Term Loans from Banks and others and rate of interest are as set out below (after considering revisions made under CDR Package as discussed in Note 6.4 above.

	Maturity Profile (₹ in Lakhs)				
	Rate of Interest (p.a)	1-2 Years	2-3 Years	3-4 Years	Above 4 Years
Term Loans from Banks	10.50% to 13%	479.05	844.45	934.46	8,618.43
Term Loans under Structured Mezzanine Credit Facility from Banks	13.95%	1,173.12	1,466.40	1,466.40	2,639.52
Term Loans From Others	10.50% to 16%	363.30	494.57	517.36	2,774.54

	AS AT 31ST MARCH, 2013	₹ in Lakhs AS AT 31ST MARCH, 2012
7 DEFERRED TAX LIABILITY:		
Deferred tax Liability		
Related to Fixed Assets	3,838.87	3,417.50
Total	3,838.87	3,417.50
Deferred tax Assets		
Expenses allowable for tax purpose on payment basis	1,261.54	179.42
Provision for Employee Benefits	88.46	-
Provision for Doubtful Debts	92.33	57.66
Merger Expenses	3.06	3.88
Short Term Capital Loss	3.27	-
Long Term Capital Loss	18.19	23.89
Unabsorbed Depreciation /Business Loss	-	252.31
Total	1,466.85	517.16
Deferred Tax Liability (net)	2,372.02	2,900.34
Add: Deferred Tax Asset transferred on amalgamation	-	2.50
Deferred Tax Liability (net) after adjustments	2,372.02	2,902.84
Incremental Deferred Tax (asset)/charge for the year	(530.82)	(80.58)
8 OTHER LONG-TERM LIABILITIES:		
Deferred Sales Tax Liability (Refer Note 8.1)	100.97	116.67
Security Deposits - Others	44.15	112.89
Security Deposits from Joint Venture Company (Refer Note 8.2)	700.00	700.00
Time Share Membership- Refundable	1,710.80	1,736.24
Income received in Advance (Time Share)	860.80	932.80
Total	3,416.72	3,598.60

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

- 8.2** The Company has received Long term trade deposit of ₹ 700.00 lakhs (Previous Year ₹700.00 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.

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

		AS AT 31ST MARCH, 2013	₹ In Lakhs AS AT 31ST MARCH, 2012
9	LONG-TERM PROVISIONS:		
	Provision for Employee Benefits- Earned Leave (Refer Note No.27.1.3)	145.54	115.20
	Total	145.54	115.20
10	SHORT-TERM BORROWINGS		
	SECURED:		
	Working Capital Facility from Banks (Refer Note 10.1)	705.01	2,221.77
	UNSECURED:		
	Other Loans and Advances from related parties	-	43.79
	Loans and Advances from Others	49.55	60.30
	Total	754.56	2,325.86
10.1	Working Capital loan from Banks are secured by hypothecation of stocks and book debts of the Company and first ranking pari-passu mortgage of immovable property being Hotel "VITS" at Andheri (East), hypothecation of all movable assets thereat, Credit Card receivables and personal and corporate guarantees of certain promoter directors and entities (Refer Note 6.4 for particulars of restructuring of debts under CDR package)		
11	TRADE PAYABLES:		
	Micro, Small and Medium Enterprises (Refer Note 11.1)	76.77	14.02
	Others	1,733.12	989.36
	Payable to related parties	55.51	57.18
	Total	1,865.40	1,060.56
11.1	Micro, Small and Medium Enterprises as defined under MSMED Act, 2006 have been identified by the Company on the basis of the information available. Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period are given below:		
	Dues remaining unpaid at the year end:		
	- Principal	76.77	14.02
	- Interest	3.17	0.99
	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.	7.79	0.88
	Amount of interest accrued and remaining unpaid at the year end	3.17	0.99
	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	0.40	0.12
12	OTHER CURRENT LIABILITIES:		
	Current Maturities of Long-Term Debts: (Refer Note 6.4)		
	From Banks (Refer Note 6.1)	16,108.16	5,916.18
	From Banks - under Structured Mezzanine Credit Facility (Refer Note 6.2)	293.29	-
	From Financial Institution (Refer Note 6.3)	3,814.76	875.00
	From Others (Refer Note 6.3)	1,431.89	400.00
		21,648.10	7,191.18
	Creditors for Capital Expenditure	377.72	459.58
	Advance from customers	238.62	168.17
	Income Received in Advance (Time Share)	73.80	73.71
	Income Received in Advance (Others)	102.88	246.92
		176.68	320.63
	Bank Balance Overdrawn	170.77	32.44
	Interest Accrued And Due	187.42	449.34
	Interest Accrued But Not Due	220.57	185.39
		407.99	634.73
	Unpaid / Unclaimed Dividends (Refer Note 12.1)	11.83	14.45
	Other Payables (Refer Note 12.2)	909.62	705.09
		23,941.33	9,526.27
12.1	There is no amount due and outstanding to be credited to Investors Education and Protection Fund as on 31st March, 2013.		
12.2	Includes employees dues, statutory dues and security deposits.		
13	SHORT-TERM PROVISIONS:		
	Provision for Employee Benefits- Gratuity (Refer Note No. 27.1.2)	56.95	31.50
	Employee Benefits- Earned Leave (Refer Note 27.1.3)	69.50	66.70
	Provision for Wealth Tax	3.75	2.15
	Total	130.20	100.35

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

14. FIXED ASSETS :

₹ In Lakhs

Description	GROSS BLOCK-COST / BOOK VALUE							DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 1st April, 2012	Transfer on Amalgamation	Additions / adjustments during the year	Borrowing Cost Capitalised	Foreign Exchange Diff. (AS-16)	Deductions / adjustments during the year	As at 31st March, 2013	As at 1st April, 2012	On Amalgamation	For the year	Deductions / adjustments during the year	As at 31st March, 2013	As at 31st March, 2012
I) <u>TANGIBLE</u>													
Land													
a) Freehold	3,269.68	-	323.92	-	-	188.37	3,405.23	-	-	-	-	3,405.23	3,269.68
b) Leasehold	31.27	-	-	-	-	-	31.27	-	-	0.03	-	31.24	31.27
Sub-Total	3,300.95	-	323.92	-	-	188.37	3,436.50	-	-	0.03	-	3,436.47	3,300.95
Buildings													
a) Freehold (Note 14.1)	9,707.64	-	35.00	-	-	143.19	9,599.45	2,173.74	-	207.16	33.77	7,252.32	7,533.90
b) Improvements to Buildings under Long Term Contracts	27,044.75	-	234.35	-	-	828.56	26,450.54	3,348.63	-	780.74	63.30	4,066.07	23,696.12
Sub-Total	36,752.39	-	269.35	-	-	971.75	36,049.99	5,522.37	-	987.90	97.07	6,413.20	31,230.02
Plant and Equipment	5,508.65	-	90.42	-	-	32.64	5,566.43	2,455.32	-	289.18	4.25	2,740.25	3,053.33
Furniture and Fixtures	2,042.89	-	15.45	-	-	74.97	1,983.37	1,595.28	-	123.46	61.74	1,657.00	326.37
Vehicles	338.86	-	0.09	-	-	2.72	336.23	165.81	-	30.33	2.72	193.42	173.05
Office Equipment	409.01	-	2.79	-	-	0.79	411.01	131.04	-	27.39	0.18	158.25	277.97
Sub-Total	8,299.41	-	108.75	-	-	111.12	8,297.04	4,347.45	-	470.36	68.89	4,748.92	3,951.96
Total	48,352.75	-	702.02	-	-	1,271.24	47,783.53	9,869.82	-	1,458.29	165.96	11,162.15	38,482.93
II) <u>INTANGIBLE</u>													
Computer Softwares	184.82	-	3.00	-	-	0.36	187.46	110.53	-	16.35	0.12	126.76	74.29
Total	184.82	-	3.00	-	-	0.36	187.46	110.53	-	16.35	0.12	126.76	74.29
Grand Total	48,537.57	-	705.02	-	-	1,271.60	47,970.99	9,980.35	-	1,474.64	166.08	11,288.91	38,557.22
Previous Year Total	39,077.37	754.84	7,188.09	2,593.91	12.86	1,089.50	48,537.57	8,704.41	124.37	1,360.21	208.64	9,980.35	30,372.96
CAPITAL WORK-IN-PROGRESS													
Capital Work-In-Progress (Note 14.2)	596.49	-	205.88	-	-	684.85	117.52	-	-	-	-	117.52	596.49
Previous Year Total	7,306.99	-	2,955.64	-	-	9,666.14	596.49	-	-	-	-	-	596.49

NOTES:

14.1 Buildings include (i) cost of residential flats of ₹ 43.71 lakhs (Previous year ₹ 43.71 lakhs) and (ii) cost of shares of ₹ Nil (Previous Year ₹ 0.02 lakhs) in Co-operative Housing Society and Owners Condominium representing ownership right, and Cost of residential flats of ₹ 32.53 lakhs (Previous Year ₹ 63.31 lakhs) as part of proposed hotel project at Nagpur.

14.2 Capital work-in-progress includes expenses Staff Cost ₹ 10.76 lakhs (Previous Year ₹ 50.92 lakhs); Travelling Expenses by Directors ₹ 0.51 lakhs (Previous Year ₹ 4.59 lakhs); by Others ₹ 1.90 lakhs (Previous Year ₹ 6.49 lakhs); Interest on Fixed Loans ₹ Nil (Previous Year ₹ 218.70 lakhs); General Expenses ₹ 15.93 lakhs (Previous Year ₹ 51.21 lakhs); Licence, Rates & Taxes ₹ 3.36 lakhs (Previous Year ₹ 38.51 lakhs); Legal & Professional Charges ₹ 13.16 lakhs (Previous Year ₹ 21.56 lakhs); Postage & Telephone Charges ₹ 0.01 lakhs (Previous Year ₹ 0.49 lakhs); Printing & Stationery ₹ 0.01 lakhs (Previous Year ₹ 0.59); Finance Charges ₹ 0.09 lakhs (Previous Year ₹ 7.70 lakhs); Advertisement Charges ₹ 0.44 lakhs (Previous Year ₹ 0.44 lakhs); Consultancy Fees ₹ 3.57 lakhs (Previous Year ₹ 51.51 lakhs); Building Under Construction ₹ 17.41 lakhs (Prev. Year ₹ 97.82 lakhs); Furniture & Fixtures ₹ 4.12 lakhs (Previous Year ₹ 5.37 lakhs); Plant & Machinery ₹ 8.33 lakhs (Previous year ₹ 2.68 lakhs); FCCB Expenses ₹ 37.90 lakhs (Previous Year ₹ 37.90 lakhs).

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

		₹ In Lakhs	
		AS AT 31ST MARCH, 2013	AS AT 31ST MARCH, 2012
15	NON-CURRENT INVESTMENTS :		
	Number Face value per unit		
	A. Trade Investments In Joint Venture Companies		
	Fully Paid Equity Shares (Unquoted)		
	2,66,500 ₹ 10 (2,66,500)	533.00	533.00
	B. Trade Investments In Subsidiary Companies		
	Fully Paid Equity Shares (Unquoted)		
	1,17,64,706 ₹ 10 (98,03,922)	9,327.75	7,727.75
	10,000 ₹ 10 (10,000)	1.00	1.00
	10,000 ₹ 10 (-)	1.00	-
	10,000 ₹ 10 (10,000)	1.00	1.00
	10,000 ₹ 10 (10,000)	1.00	1.00
		9,864.75	8,263.75
	C. Non Trade Investments		
	Fully paid up equity shares (Quoted)		
	50 ₹ 10 (50)	0.03	0.03
	Fully paid up equity shares (Unquoted)		
	- ₹ 10 (500)	-	0.05
	10,010 ₹ 10 (10,000)	5.01	5.00
	Tax Saving Bonds (Unquoted)		
	200 ₹ 5,000 (200)	10.00	10.00
	Investments in Government Securities		
	6 Year NSC (Maturity on 18.08.2016)	0.05	0.05
	Total Non-Current Investments	9,879.84	8,278.88
	Aggregate amount of quoted Investments		
	-Cost	0.03	0.03
	-Market Value	0.01	0.02
	Aggregate amount of unquoted Investments		
	-Cost	9,879.81	8,278.85

15.1 Out of 98,03,922 (Previous Year 98,03,922), 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 Nil) shares have been pledged by the Company to lenders as a security for loan taken by a Subsidiary Company (Refer Note 6.3)

15.2 Figures in brackets are in respect of previous year.

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

		₹ In Lakhs	
	AS AT 31ST MARCH, 2013	AS AT 31ST MARCH, 2012	
16 LONG-TERM LOANS AND ADVANCES:			
(Unsecured, good, unless otherwise stated)			
Capital Advances (include ₹ 203.65 lakhs	355.70		433.96
(Previous Year ₹ 203.65 lakhs) considered doubtful)			
Less: Provision for doubtful advances	203.65		203.65
		152.05	230.31
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)	19,648.99		15,527.66
[Maximum balance during the year ₹ 19,648.99 lakhs (Previous Year ₹ 15,583.01 lakhs)]			
Advance for purchase of Shares of subsidiary (Refer Note 37)	-		300.00
Payment of Taxes (Less Provisions) (Refer Note 16.1)	460.31		454.98
MAT Credit Entitlement	249.51		403.00
Prepaid Expenses	0.65		2.83
Total	20,511.51		16,918.78
16.1 Payment of Taxes is net of provision for tax of ₹ 360.95 lakhs (Previous Year ₹ 342.35 lakhs) and further after adjusting ₹ 152.00 lakhs (Previous year ₹ Nil) for MAT credit availed during the year.			
17 OTHER NON-CURRENT ASSETS:			
(Unsecured, good unless otherwise stated)			
Security Deposits	144.65		102.03
Long Term Deposits for Hotel and Other Properties [includes ₹ 488.62 lakhs (Previous year ₹ Nil) considered doubtful] (Refer Note 17.1 and 30.1)	8,533.57		8,548.87
Less: Provision for doubtful deposit.	488.62		-
		8,044.95	8,548.87
Total	8,189.60		8,650.90
17.1 The above deposits include ₹ 8,000.00 lakhs (Previous Year ₹ 8,000.00 lakhs) paid to Plaza Hotels Private Limited for hotel properties (a Company wherein some directors of the Company are directors).			
18 CURRENT INVESTMENTS :			
Investments in Mutual Funds- Unquoted			
SBI PSU FUND 50,000 (Previous Year 50,000) Units of ₹ 10/- each fully paid up (NAV - ₹ 3.82 lakhs (Previous Year ₹ 4.21 lakhs)	5.00		5.00
Total	5.00		5.00
19 INVENTORIES:			
(At Lower of weighted average cost and net realisable values)			
Raw Materials and Others			
- Food and Beverages	107.80		110.47
- Stores and Operating Supplies	322.15		310.80
Total	429.95		421.27

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

		₹ In Lakhs	
		AS AT 31ST MARCH, 2013	AS AT 31ST MARCH, 2012
20	TRADE RECEIVABLES:		
	(Unsecured, good, unless otherwise stated)		
	Unsecured:		
	- Over Six Months (₹ 284.49 lakhs (Previous year ₹ 183.80) considered doubtful)	619.61	451.44
	- Other Debts (₹ 0.08 lakhs (Previous year ₹ 2.79 lakhs) (considered doubtful)	864.41	1,055.37
		1,484.02	1,506.81
	Less: Provision for Doubtful Debts	284.57	186.59
	Total	1,199.45	1,320.22
20.1	Include due from Orchid Hotels Pune Private Limited (Subsidiary).	39.28	8.21
20.2	Provision for doubtful debts:- Opening Balance ₹ 186.59 lakhs; Addition ₹ 101.22 lakhs; Deduction ₹ 3.24 lakhs ,Closing Balance ₹ 284.57 lakhs.		
21	CASH AND BANK BALANCES:		
	Cash and Cash Equivalents:		
	- Balance with Banks	423.57	461.78
	- Cash on hand	35.12	23.90
	- Cheques on hand	57.21	45.32
	- Foreign Exchange in hand	0.34	0.50
	Sub-total	516.24	531.50
	Other Bank Balances:		
	- Margin Money in Fixed Deposits with Banks	208.90	737.16
	- Dividend Bank Accounts	11.83	14.52
	Sub-total	220.73	751.68
	Total	736.97	1,283.18
22	SHORT TERM LOANS AND ADVANCES:		
	(Unsecured good)		
	- Loans and Advances to Related Parties (Refer Note 22.1)	-	0.14
	- Loans and Advances to Employees	0.80	1.62
	- Deposits including Balances with Government and other agencies	16.61	24.91
	- Advance Payment of Taxes (Net)(Refer Note 22.2)	830.87	939.04
	- Prepaid Expenses	135.55	137.16
	- Others (Refer Note 22.3)	49.11	85.55
	Total	1,032.94	1,188.42
22.1	Include ₹ Nil (Previous Year ₹ 0.07 lakhs) due from Fort Jadhavgadhd Hotels Private Limited (Subsidiary).		
22.2	Payment of taxes is net of provision for tax of ₹ 928.20 Lakhs (Previous Year ₹ 803.90 Lakhs).		
22.3	Include advances to suppliers and for expenses.		
23	OTHER CURRENT ASSETS:		
	(Unsecured good)		
	- Interest Receivable from related parties (Refer Note 23.1)	2,355.25	1,762.65
	- Interest Receivable on Bank Deposits and Investments	54.15	60.29
	Total	2,409.40	1,822.94
23.1	This amount is due from Orchid Hotels Pune Private Limited (Subsidiary).		

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

₹ In Lakhs

		YEAR ENDED	
		31ST MARCH, 2013	31ST MARCH, 2012
24	REVENUE FROM HOTEL OPERATIONS:		
	Revenue from Operations:		
	Rooms	7,573.23	7,618.98
	Food and Beverages	4,820.01	5,051.62
	Income from Time Share Business (Refer Note 24.1)	364.38	287.08
	Management and Consultancy Fees	238.14	364.47
	Sub total	12,995.76	13,322.15
	Other Operating Revenue:		
	Swimming Pool and Health Club	41.02	40.41
	Conference and Banqueting Services	211.14	181.08
	Internet and Telephone	20.79	47.11
	Laundry Services	51.19	56.36
	Car Rental and Transportation	116.36	69.34
	Membership- Sales Promotion Schemes	231.83	280.41
	Licence fees - Shops and Offices	134.85	109.49
	Miscellaneous Services	30.85	60.28
	Sub total	838.03	844.48
	Less: Excise Duty	1.82	3.86
	Total	13,831.97	14,162.77

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

₹ In Lakhs

		YEAR ENDED	
		31ST MARCH, 2013	31ST MARCH, 2012
25	OTHER INCOME:		
	Interest Earned		
	Interest on Long Term Investments	6.57	5.80
	Interest from Banks	27.94	37.70
	Interest from Others	2,277.36	1,864.26
		2,311.87	1,907.76
	Gain on Foreign Exchange	9.03	14.12
	Dividend on Long Term Investments	0.51	0.41
	Liabilities and Provisions written back (Refer Note 25.1)	55.04	249.19
	Licence Fees-Other Properties	71.07	54.61
	Other Non Operating Income	7.77	2.95
	Total	2,455.29	2,229.04

- 25.1** Liabilities and Provisions written back include ₹ Nil (Previous Year ₹ 51.71 lakhs) towards excess provision for gratuity written back relating to earlier years.

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

₹ In Lakhs

		YEAR ENDED	
		31ST MARCH, 2013	31ST MARCH, 2012
26	COST OF FOOD AND BEVERAGE CONSUMED:		
	Opening Stock	110.47	101.14
	Add: Purchases	1,526.98	1,470.24
		1,637.45	1,571.38
	Less: Closing Stock	107.80	110.47
	Total	1,529.65	1,460.91
26.1	Particulars of imported and indigenous food and beverages consumed:		
	Value - Imported	1.28	0.90
	- Indigenous	1,528.37	1,460.01
		1,529.65	1,460.91
	Percentage - Imported	0.08%	0.06%
	- Indigenous	99.92%	99.94%
		100.00%	100.00%
27	EMPLOYEE BENEFITS EXPENSE:		
	Salaries and Wages	3,062.40	2,867.78
	Contribution to Provident and other Funds	157.56	147.93
	Provision for Gratuity (Refer Note No.27.1.2)	52.05	32.81
	Provision for Leave Encashment (Refer Note No. 27.1.3)	33.14	41.87
	Staff Welfare Expenses	262.41	301.88
	Total	3,567.56	3,392.27
27.1	The disclosures required under Accounting Standard 15 “Employee Benefits” (AS 15) as notified by the Companies (Accounting Standards) Rules 2006, are given below:		
27.1.1.	Defined Contribution Plan:		
	Contribution to Defined Contribution Plan, recognised and charged off for the year are as under:		
	Contributions to Provident Fund	155.87	146.36
27.1.2	Defined Benefit Plan:		
	The employees' gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligations for leave encashment is recognised in the same manner as gratuity.		
Gratuity (Funded):			
a	Reconciliation of opening and closing balances of Defined Benefit obligation		
	Defined Benefit obligation at beginning of the year	203.99	174.97
	Current Service Cost	36.25	40.25
	Interest Cost	17.34	14.00
	Actuarial (gain) / loss	13.50	(8.02)
	Benefit Paid	(28.42)	(17.21)
	Defined Benefit obligation at year end	242.66	203.99
b.	Reconciliation of opening and closing balance of fair value of plan assets		
	Fair value of plan assets at beginning of the year	172.49	137.31
	Expected return on plan assets	14.83	10.98
	Employers Contribution	26.61	38.97

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

		₹ In Lakhs	
		YEAR ENDED	
		31ST MARCH, 2013	31ST MARCH, 2012
	Benefit Paid	(28.42)	(17.21)
	Actuarial (gain) / loss	0.20	2.44
	Fair value of plan assets at year end	185.71	172.49
	Actual return on plan assets	14.83	13.42
c.	Reconciliation of fair value of assets and obligations		
	Fair value of plan assets as at 31st March, 2013	185.71	172.49
	Present value of obligation as at 31st March ,2013	242.66	203.99
	Amount recognised in Balance Sheet	56.95	31.50
d.	Net Gratuity and other cost for the year		
	Current Service Cost	36.25	40.25
	Interest Cost	17.34	14.00
	Expected return on plan assets	(14.83)	(10.98)
	Actuarial (gain)/loss	13.29	(10.46)
	Net Cost	52.05	32.81
e.	Investment Details	% invested	% invested
	L I C Group Gratuity (Cash Accumulation) Policy	100	100
f.	Actuarial assumptions		
	Mortality Table (L.I.C)	1994-96 (Ultimate)	1994-96 (Ultimate)
	Discount rate (per annum)	8.00%	8.00%
	Expected rate of return on plan assets (per annum)	8.70%	8.60%
	Rate of escalation in salary (per annum)	6.50%	6.50%
	Employers Best estimate of expected contribution for next year	56.95	67.76

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.

27.1.3 Leave encashment (Non Funded):

Reconciliation of opening and closing balances of Defined Benefit obligation

a.	Defined Benefit obligation at beginning of the year		
	Defined Benefit obligation at beginning of the year	181.90	129.63
	Opening Balance transferred from merger companies	-	10.40
	Actuarial (gain) / loss	33.14	41.87
	Defined Benefit obligation at year end	215.04	181.90
b.	Reconciliation of fair value of assets and obligations		
	Present value of obligation as at 31st March, 2013	215.04	181.90
	Amount Recognised in Balance Sheet	215.04	181.90
c.	Expenses recognised during the year		
	Actuarial (gain)/loss	33.14	41.87
	Net Cost	33.14	41.87

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013
₹ In Lakhs

YEAR ENDED

	31ST MARCH, 2013	31ST MARCH, 2012
27.2 Managerial Remuneration		
Remuneration to Managing and Whole Time Directors (₹ 96 lakhs to Managing Director) (Previous Year ₹ 90 Lakhs) (Refer Note 27.3)	162.00	148.00
Contribution to Provident Fund	15.58	14.63
Perquisites	0.57	0.53
Sub-total	178.15	163.16
Directors Sitting Fees	8.15	10.00
Total	186.30	173.16
27.3 Payment of remuneration to Dr. Vithal V. Kamat, Executive Chairman and Managing Director, 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, 2013, there is an excess remuneration of ₹ 48.78 lakhs (Previous year ₹ 43.13 lakhs) paid to Dr. Vithal V. Kamat Executive Chairman and Managing Director and in terms of the decision of the Remuneration Committee in its meeting held on 25th May, 2013, the Company is proposing to make an application to the Central Government for waiver of recovery of above excess remuneration and the required particulars are being placed before the shareholders in the ensuing Annual General Meeting of the Company. Accordingly, the above remuneration is subject to these approvals.		
28 OTHER EXPENSES:		
OPERATING EXPENSES:		
Heat, Light and Power	1,462.75	1,314.14
Rent	149.31	174.11
Licences, Rates and Taxes (Refer Note 28.1)	623.52	310.15
Repairs to Buildings	104.40	114.39
Repairs to Plant and Machinery	200.63	185.80
Repairs to Others	137.65	101.29
Expenses on Apartments and Boards	462.70	642.07
Replacements of Crockery, Cutlery, Linen, etc.	87.89	110.82
Washing and Laundry Expenses	187.39	179.24
Water Charges	123.02	89.30
Sub-Total	3,539.26	3,221.31
GENERAL EXPENSES:		
Advertisement, Publicity and Sales Promotion	317.24	301.36
Travel Agents' Commission	114.66	142.84
Discount to Collecting Agents	95.99	96.54
Management/Licence Fees and Royalty	118.66	108.76
Loyalty Programme Expenses	41.82	41.18
Band and Music Expenses	158.98	141.95
Sub-Total	847.35	832.63
ADMINISTRATIVE AND OTHER EXPENSES:		
Communication Expenses	96.00	108.99
Printing and Stationery	74.93	87.27
Legal and Professional charges	316.66	332.67
Directors' Sitting fees	8.15	10.00
Travelling and Conveyance	155.89	144.59
Insurance	44.96	37.23
Bad Debts	2.17	0.22
Provision for Doubtful debts	101.22	-
Carried forward	799.98	720.97

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

₹ In Lakhs

YEAR ENDED

	31ST MARCH, 2013	31ST MARCH, 2012
ADMINISTRATIVE AND OTHER EXPENSES CONTD...		
<i>Brought forward</i>	799.98	720.97
Auditors' Remuneration (Refer Note 28.2)	12.74	13.34
Sales Tax/Vat /Luxury Tax etc. including assessment dues	97.76	99.17
Loss on Sale/Discard of Fixed assets (Net)	-	40.61
Prior Periods Expenses	15.73	8.91
Miscellaneous Expenses	121.17	126.67
Sub-Total	1,047.38	1,009.67
Total	5,433.99	5,063.61
28.1 The Municipal Corporation of Greater Mumbai (MCGM) has raised an additional demand for property tax of ₹ 216.96 lakhs (Previous Year ₹ Nil) for the years 2010-11 and 2011-12 and ₹ 105.55 lakhs (Previous Year ₹ Nil) for the year 2012-2013 in respect of Company hotels and offices based on newly introduced capital value method during the year. The Company has filed objections to the said valuation which are pending disposal by MCGM. Pending such disposal, the Company has made provision for the same and adjustment, if any will be made on disposal of Company's objections.		
28.2 Auditors' Remuneration		
- As Audit Fees	8.50	8.50
- Taxation Services	1.65	1.25
- Other Services	1.95	1.98
- Out of Pocket Expenses	0.20	0.20
- Service Tax (net of Input tax credit availed)	0.44	1.41
Total	12.74	13.34
29 FINANCE COSTS:		
Interest Expense	5,767.74	4,745.86
Other Borrowing Costs	182.90	223.91
Total	5,950.64	4,969.77
30 EXCEPTIONAL ITEMS:		
INCOME:		
Surplus on transfer of Puri Hotel unit to Subsidiary	1,246.87	-
Profit on disposal of certain non-productive Fixed assets	221.96	58.83
Input Service tax Credit of earlier year available to the Company	40.62	-
	1,509.45	58.83
Less: EXPENSES:		
Loss on Write-off of Fixed Assets of certain unviable units of the Company	60.33	167.60
Loss due to compulsory acquisition of a portion of Company's land at Nagpur.	-	17.66
Incomplete Hotel Project Expenses Written Off (Refer Note 30.1)	207.93	-
Provision for doubtful deposit for Hotel Project (Refer Note 30.1)	488.62	-
	756.88	185.26
Total	752.57	(126.43)
30.1 In terms of the Memorandum of Understanding with a party 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 project, the expenditure incurred on the said incomplete project has been written off and a provision has been made in the current year for the deposit paid to the said party. In the meantime, the Company has 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 and further proceedings including filing a claim in the matter by the Company is in progress. Adjustments, if any, to the expenditure written off and provision made as above, will be made on disposal of the Arbitration Proceedings in the above matter.		

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

31 Contingent Liabilities and Commitments.

	₹ In Lakhs	
	AS AT 31ST MARCH, 2013	AS AT 31ST MARCH, 2012
I Contingent liabilities:		
A Claims Against Company /Disputed liabilities not acknowledged as debts.		
i) Disputed Income Tax Demand	743.50	737.50
The above includes a disputed demand of ₹ 728.40 lakhs (Previous year ₹ 728.40 lakhs) raised on completion of assessment for assessment year 2008-09 in earlier year, which was disputed by the Company in appeal. The appeal has been allowed substantially in favour of the Company and appeal effect is pending. On giving effect to the appellate order the demand will be ₹ 190.27 lakhs for which no provision has been made as the same is disputed by the Company by filing a second appeal, which is pending.		
ii) Open import Licence	75.61	69.87
iii) Claims against the Company not acknowledged as debt.	66.29	-
iv) Other Matters disputed	17.72	-
B Guarantees:		
i) Corporate guarantee given to a bank given in respect of credit facilities availed by Subsidiary Company.	20,434.00	16,434.00
ii) Counter Guarantees issued by the Company to secure Bank Guarantees.	111.40	173.71
C Other Money for which the Company is contingently liable.		
i) Obligation towards payments to project creditors of subsidiary company.	64.01	396.11
ii) Monetary value of unredeemed points in respect of Guest Loyalty program for Sales Promotion.	26.98	26.70
II Commitments.		
A Estimated amount of capital commitments to be executed on capital accounts and not provided for (net of advances)	14.22	123.14
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.	3,106.19	3,106.19
ii) Commitment to the V Privilege Scheme members for providing Hospitality services during the year 2013-14 as per membership sale value.	67.70	41.34
iii) Obligations under CDR Scheme to the lenders to repay part of the term loans and funded interest term loan out of the sale proceeds of specified assets of the Company by 31st March, 2014.	22,500.00	-
iv) The Company has put up an STP Unit on an adjacent immovable property owned by Kamats Amusements Private Limited in earlier years for its Orchid Hotel, Mumbai and continues to use the same. The Company is obliged to compensate appropriately to the owner for such user of property as explained in the Explanatory Statement under section 393 of the Companies Act ,1956 to the notice convening the meeting of the shareholders of the Company on 22nd October 2005 pursuant to Bombay High Court Order dated 2nd September 2005 and as approved by the Board of Directors of the Company in the meeting held on 26th July 2008. The modalities are being worked out.		
v) Certain ex-employees of the Company have demanded re-instatement of their service along with arrears of wages, which is contested by the Company and the amount is indeterminate.		

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

32 Earnings Per Share

Basic and Diluted

Particulars

	YEAR ENDED	
	31ST MARCH, 2013	31ST MARCH, 2012
Net Profit / (Loss) after tax as per Statement of Profit and Loss (₹ In Lakhs)	(566.39)	99.19
No. of Shares issued	1,90,93,394	1,90,93,394
Nominal Value of Share (Rupees)	10	10
Weighted average no. of Shares – Basic	1,90,93,394	1,61,23,165
Weighted average no. of Shares – Diluted	2,19,89,132	2,19,54,429
Basic E.P.S. (₹) :	(2.97)	0.62
Diluted E.P.S. (₹): (See Note below)	(2.97)	0.45

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

33 Segment Reporting

The Company's activities involve predominantly providing hospitality related services, which is considered to be a single business segment since these are subject to similar risks and returns. Further, services are not provided out of India and hence there are no reportable geographical segments. Accordingly, the financial statements are reflective of the information required by Accounting Standard 17 - Segment Reporting (AS-17) as notified by the Companies (Accounting Standards) Rules, 2006.

34 Related Party Disclosures:

Related Parties where control exists:

(a) Subsidiary Companies:

Orchid Hotels Pune Private Limited (Formerly B W Highway Star Private Limited)- (w.e.f 21st May, 2009)
Fort Jadhav Gadh Hotels Private Limited- (w.e.f 20th February, 2012)
Fort Mahodadhinivas Palace Private Limited - (w.e.f 30th April, 2011)
Kamats Restaurant (India) Private Limited- (w.e.f 28th May, 2011)
Green Dot Restaurants Private Limited- (w.e.f 25th October, 2012)

(b) Jointly Controlled Entity:

Ilex Developers and Resorts Limited (Joint Venture) (w.e.f. 1st March, 2010)

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

Plaza Hotels Private Limited
Kamats Holiday Resorts (Silvassa) Limited
Vishal Amusements Limited
Indira Investments Private Limited
Kamburger Foods Private Limited:
Kamat Eateries Private Limited
Kamats Amusements Private Limited
Talent Hotels Private Limited
Karaoke Amusements Private Limited
Karwar Hotels Private Limited
Busybee Developers Private Limited
Grasshoppers Developers Private Limited
Nagpur Ecohotel Private Limited
VITS Hotels (Bhubaneswar) Private Limited

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(d) Key Management Personnel and their relatives:

Dr. Vithal V. Kamat	- Executive Chairman & Managing Director
Mr. Ramesh N. Shanbhag	- Whole Time Director
Mr. Vikram V. Kamat	- Executive Director & also relative
Mrs. Vidya V. Kamat	- Relative
Mr. Vishal V. Kamat	- Chief Executive Officer of Fort Jadhavgad, 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 :

V. 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, 2013:

					₹ 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	96.97 **(48.53)	47.94 (160.07)	Nil (Nil)	6.59 (5.31)
2	Consultancy Fees/Fees paid towards hotel property under Business Contract Agreement	Nil (Nil)	74.90 (73.01)	Nil (Nil)	Nil (Nil)
3	Consideration received for re-assignment of Lease and transfer of Puri hotel unit	2,000.00 (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
4	Interest earned on Loans & Advances given	2,271.31 (1,808.49)	Nil (Nil)	Nil (Nil)	Nil (Nil)
5	Purchase of goods & services	Nil (Nil)	Nil (Nil)	29.23 (18.79)	Nil (Nil)
6	Remuneration to Key Management Personnel	Nil (Nil)	Nil (Nil)	182.36 (163.96)	Nil (Nil)
7	Loan given	4,152.40 (5,361.04)	Nil (Nil)	Nil (Nil)	Nil (Nil)
8	Loans Recovered during the year	0.07 (Nil)	0.07 (Nil)	Nil (Nil)	Nil (Nil)
9	Loans Repaid during the year	Nil (Nil)	34.69 (Nil)	0.66 (Nil)	Nil (Nil)
10	Interest Recovered during the Year	1,656.00 (533.22)	Nil (Nil)	Nil (Nil)	Nil (Nil)
11	Share Application Money received	Nil (Nil)	1,900.00 (Nil)	Nil (Nil)	Nil (Nil)
12	Investments in Shares	1,301.00 (403.00)	Nil (Nil)	Nil (Nil)	Nil (Nil)
13	Short term loans taken*	Nil	Nil	Nil	Nil
	* Transferred on Amalgamation	(Nil)	(34.69)	(0.66)	(45.58)

* Transferred on Amalgamation

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

₹ In Lakhs

Sr. No.	Nature of transactions	Subsidiary Company	Joint Venture & specified companies	Key Management Personnel & relatives *	Other related parties
14	Balance outstanding at the year end:				
(a)	Investments in Shares / Share application money	9,331.75 (7,730.75)	533.00 (533.00)	Nil (Nil)	Nil (Nil)
(b)	Share application money pending allotment	Nil (Nil)	1,959.55 (59.55)	225.46 (225.46)	1.10 (1.10)
(c)	Loan to Subsidiary	19,648.99 (15,527.66)	Nil (Nil)	Nil (Nil)	Nil (Nil)
(d)	Accounts receivable	2,394.52 (1,770.92)	0.08 (38.27)	Nil (Nil)	Nil (Nil)
(e)	Deposit paid includes Under Business Contract Agreement	Nil (Nil)	8,000.00 (8,000.00)	Nil (Nil)	25.00 (25.00)
(f)	Long Term Trade Deposit received towards Business Contract Agreement.	Nil (Nil)	700.00 (700.00)	Nil (Nil)	Nil (Nil)
(g)	Amounts Payable	Nil (Nil)	26.94 (37.35)	3.82 (20.34)	Nil (43.24)
(h)	Second charge on immovable property to secure future obligation of the Company towards share purchase consideration.	Nil (1,300.00)	Nil (Nil)	Nil (Nil)	Nil (Nil)
(i)	Mortgage Created by Associate Company on its immovable property to secure the borrowings of the Company.	Nil (Nil)	46.88 (96.05)	Nil (Nil)	Nil (Nil)
(j)	Undertaking given by the Associate companies in favour of IL&FS towards repayment of loan from 50% of Sale Proceeds of their immovable properties.	Nil (Nil)	4,643.81 (4,643.81)	Nil (Nil)	Nil (Nil)
(k)	Corporate Guarantee issued by the Company in favour of banks on behalf of Subsidiary /Joint Venture Companies	20,434.00 (16,434.00)	1,000.00 (1000.00)	Nil (Nil)	Nil (Nil)
(l)	Corporate Guarantee / Personal Guarantee provided by Plaza Hotels Private Limited / Kamats Holiday Resorts (Silvassa) Limited / Executive Chairman & Managing Director and Executive Director (to the extent of loan outstanding at the year end)	Nil (Nil)	36,958.74 (36,600.86)	58,487.05 (55,841.96)	Nil (Nil)
(m)	Company has Mortgaged its Land and proposed additions to the Hotel Building at Bhubaneshwar in favour of a Bank on behalf of a Associate Company.	Nil (Nil)	799.68 (440.75)	Nil (Nil)	Nil (Nil)

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

** Figures in brackets are for previous year.

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(g) Statement of Material Transactions:

Name of Related Party	₹ In Lakhs	
	YEAR ENDED	
	31ST MARCH, 2013	31ST MARCH, 2012
Subsidiaries		
Orchid Hotels Pune Private Limited		
- Sale of Goods and Services	96.97	48.53
- Interest earned on Loans & Advances	2,271.31	1,808.49
- Interest recovered during the year	1,656.00	533.22
- Loan given	4,152.40	5,361.04
- Investments in Shares	1,300.00	400.00
- Investment balance at year end	9,327.75	7,727.75
- Loan given balance at year end	19,648.99	15,527.66
- Amounts recoverable at year end	2,394.52	1,770.85
- Corporate Guarantees issued to a Bank on behalf of the Subsidiary Company	20,434.00	16,434.00
- Second charge on immovable property created for future obligation of the Company	Nil	1,300.00
Jointly Controlled Entity		
ILEX Developers & Resorts Limited		
- Sale of Goods and Services	41.04	53.25
- Technical / Consultancy fees earned	Nil	99.27
- Investment balance at year end	533.00	533.00
- Security Deposit taken balance at year end	700.00	700.00
- Amounts recoverable at year end	7,982.00	38.21
- 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	440.75	440.75
Specified Companies:		
Plaza Hotels Private Limited		
- Fees paid towards hotel property under Business Contract Agreement	74.90	73.01
- Deposit paid Under Business Contract Agreement for hotels	8,000.00	8,000.00
- Amounts Payable	20.79	2.50
- Corporate Guarantee provided by the above for securing loans taken by the Company	31,989.90	31,440.86
- Share Application money credited for issue of Shares on merger	Nil	31.96
- Undertaking given towards repayment of Loan	1,412.30	1,412.30
Kamats Holiday Resorts (Silvassa) Limited		
- Corporate Guarantee provided by the above for securing loans taken by the Company	4,968.85	5,160.00
- Mortgage Created on immovable property to secure the borrowings of the Company.	46.88	96.05
Kamats Amusements Private Limited		
- Share Application money credited for issue of Shares on merger	20.51	20.51
Talent Hotels Private Limited		
- Undertaking given towards repayment of Loan	2,231.51	2,231.51

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Name of Related Party	₹ In Lakhs	
	YEAR ENDED	
	31ST MARCH, 2013	31ST MARCH, 2012
Karwar Hotels Private Limited		
- Loan taken- transferred due to amalgamation	Nil	33.68
- Loan Repaid	33.68	Nil
- Amounts payable	Nil	33.68
- Undertaking given towards repayment of Loan	275.81	275.81
Busybee Developers Private Limited		
- Undertaking given towards repayment of Loan	567.83	567.83
Grasshoppers Developers Private Limited		
-Undertaking given towards repayment of Loan	156.35	156.35
Nagpur Ecohotel Private Limited.		
- Share Application money received pending allotment	1,350.00	Nil
Vits Hotels (Bhubaneshwar) Private Limited.		
- Share Application money received pending allotment	550.00	Nil
Fort Mahodadhinivas Palace Private Limited.		
- Sale/reassignment of Puri Hotel unit	2,000.00	Nil
Key Management Personnel and relatives:		
Dr. Vithal V. Kamat		
- Remuneration	105.58	90.00
- Royalty paid for brand	29.23	18.79
- Amounts Payable	3.82	19.68
- Share Application money credited for issue of Shares on merger	218.66	218.66
- Personal Guarantee provided by him for securing loans taken 'by the Company'	45,919.69	43,641.41
Vishal V. Kamat		
- Remuneration	4.21	Nil
- Personal Guarantee provided by him for securing loan taken 'by the Company'	1,333.42	988.16
Vikram V. Kamat		
- Remuneration	32.76	25.80
- Personal Guarantee provided by him for securing loan taken by the Company	11,233.94	11,212.40
Ramesh N. Shanbhag		
- Remuneration	39.81	33.00
Other Related Parties:		
Vithal V. Kamat-HUF		
- Gross Sale of services including Management & Consultancy Fees	6.59	5.31
- Share Application money credited for issue of Shares on merger	1.10	1.10
-Unsecured loan taken during the year- Transfer from Merger company	45.58	45.58
- Deposit paid includes Under Business Contract Agreement	25.00	25.00
- Amount Payable	Nil	43.24

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

₹ In Lakhs

YEAR ENDED

31ST MARCH, 2013	31ST MARCH, 2012
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35 Leases

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

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

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

Payable within one year -	60.56	103.90
Payable later than one year but not later than five years -	221.73	400.71
Payable after five years -	432.01	2,013.15

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

Receivable within one year -	160.61	72.38
Receivable later than one year but not later than five years -	72.81	37.98
Receivable after five years -	26.00	Nil

36 Income Tax

Provision for tax for the year has been made at ₹ 152.00 lakhs under normal provisions of Income Tax Act (Previous year ₹ 14.00 lakhs u/s 115JB of the Act).

In accordance with Guidance Note issued by The Institute of Chartered Accountants of India, the Company (i) has recognised MAT Credit Entitlement of ₹ Nil (Previous Year ₹ 14.00 lakhs) and (ii) has availed MAT Credit of ₹ 152.00 lakhs (Previous Year ₹ Nil) against Provision for Current tax for the year.

37 Subsidiary Company

In terms of the Minutes of the Order by consent dated 10th February, 2010 of the High Court of Bombay, the Company had agreed to buy the remaining 25% being 29,41,176 shares of Orchid Hotels Pune Private Limited (OHPPL) (formerly B W Highway Star Private Limited) held by minority shareholders for a consideration of ₹ 2,400.00 Lakhs, which was agreed to be paid over a period of three years accordingly the company paid the last of the installment during the year and acquired the remaining shares making its holding to 100%.

38 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 2013.			
			Assets	Liabilities	Income	Expenditure
Ilex Developers & Resorts Limited	India	32.92	1,280.05	872.42	209.66	274.60
(Refer Note 38.2)		(32.92)	(1,323.55)	(870.94)	(149.04)	(223.78)

38.1 Figures in the bracket are for previous year.

38.2 The Company has received Long Term trade Deposit of ₹ 700.00 lakhs (Previous Year ₹ 700.00 lakhs) from the above Company as a security for the hotel property given for development and expansion for a period of Twenty years.

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

39 Additional Information

a Value of Imports

Particulars	₹ In Lakhs	
	YEAR ENDED	
	31ST MARCH, 2013	31ST MARCH, 2012
Provisions , Wines etc.	1.28	0.90
Spare Parts	Nil	5.68
Capital Goods	1.53	14.26

b Expenditure in Foreign Currency (on accrual basis)

Legal and Professional Fees	Nil	5.00
Commission to Travel Agents, Membership and Subscription, Internet / Website Charges, Bank Charges, Annual Listing Fees, Advertisement etc.	17.42	30.72

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 dividends paid to non-resident shareholders are as follows:

Dividend (2011-12):

(a) Number of non-resident shareholders	370	457
(b) Number of Equity Shares held	63,65,060	24,44,688
(c) Amount of Dividend remittable and paid	Nil	Nil

d Earnings in Foreign Exchange

For Hotel Services rendered (As certified by the Management)	1,264.25	923.12
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40 Figures of the previous year have been regrouped /reclassified wherever necessary to conform to the Current year's presentation.

For and on behalf of Board of Directors

Dr. Vithal V. Kamat
Executive Chairman & Managing Director

Ramesh N. Shanbhag
Wholetime Director

Vikram V. Kamat
Executive Director

Kurian Chandu
Chief Financial Officer

Mahesh Kandoi
Company Secretary

Mumbai: 25th May, 2013

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**, ("the Company") its Subsidiaries, (i) Orchid Hotels Pune Private Limited; (ii) Fort Jadhavgad Hotels Private Limited; (iii) Fort Mahodadhinivas Palace Private Limited; (iv) Kamats Restaurants (India) Private Limited; (v) Jadhavgad Hotels Private Limited; and (vi) Green Dot Restaurants Private Limited and its Jointly Controlled Entity, Ilex Developers and Resorts Limited (collectively referred to as "the Group") which comprise Consolidated Balance Sheet as at 31st March, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement of the Group for the year ended on that date and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Group in accordance with accounting principles generally accepted in India including Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 risks assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedure that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the reports of the other auditors on the financial statements of the subsidiaries and jointly controlled entity as noted below, the 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:

- (i) In the case of the Consolidated Balance Sheet, of the state of the affairs of the Group as at 31st March, 2013;
- (ii) In the case of the Consolidated Statement of Profit and Loss, of the loss of the Group for the year ended on that date; and
- (iii) In the case of Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Report on Other Matters

We did not audit the financial statements of the subsidiaries and the jointly controlled entity whose financial statements reflect total assets (net) of Rs. 4,073.93 lakhs as at 31st March, 2013, total revenue of Rs. 3,567.49 lakhs and net cash outflows amounting to Rs. 70.03 lakhs for the year then ended as considered in the Consolidated Financial Statements. These financial statements and other financial information have been audited by other auditors, whose reports have been furnished to us and in our opinion, in so far as it relates to the amounts included in respect of the subsidiaries and jointly controlled entity, is based solely on the report of other auditors.

For J.G.VERMA & CO.

*Chartered Accountants
(Registration No. 111381W)*

J.G.VERMA

*Partner
Membership No. 5005*

Mumbai: 25th May, 2013

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013

	NOTE	AS AT 31ST MARCH, 2013	₹ In Lakhs AS AT 31ST MARCH, 2012
<u>EQUITY AND LIABILITIES:</u>			
Shareholders' Funds:			
(a) Share Capital	2	1,968.19	1,968.19
(b) Reserves and Surplus	3	12,464.08	18,365.34
		14,432.27	20,333.53
Share Application Money Pending Allotment	4	2,186.10	286.10
Minority Interest		-	813.26
<u>Non-Current Liabilities:</u>			
(a) Long Term Borrowings	5	42,967.58	48,679.08
(b) Deferred Tax Liability (Net)	6	407.22	1,894.96
(c) Other Long Term Liabilities	7	3,186.28	3,376.99
(d) Long Term Provisions	8	164.10	134.53
		46,725.18	54,085.56
<u>Current Liabilities:</u>			
(a) Short Term Borrowings	9	754.56	2,325.86
(b) Trade Payables	10	2,800.40	1,435.96
(c) Other Current Liabilities	11	26,840.06	12,644.77
(d) Short Term Provisions	12	132.29	103.00
		30,527.31	16,509.59
TOTAL		93,870.86	92,028.04
<u>ASSETS:</u>			
<u>Non-Current Assets:</u>			
(a) Fixed Assets:			
(i) Tangible Assets	13	73,519.45	74,175.70
(ii) Intangible Assets	13	67.21	79.86
(iii) Capital Work-In-Progress	13	3,625.77	737.52
(iv) Goodwill on Consolidation		3,218.50	2,096.94
		80,430.93	77,090.02
(b) Non-Current Investments	14	15.08	15.13
(c) Long Term Loans and Advances	15	940.12	1,473.46
(d) Other Non-Current Assets	16	8,311.73	8,687.67
		89,697.86	87,266.28
<u>Current Assets:</u>			
(a) Current Investments	17	5.00	5.00
(b) Inventories	18	518.72	504.36
(c) Trade Receivables	19	1,325.30	1,411.62
(d) Cash and Bank Balances	20	993.67	1,451.67
(e) Short Term Loans and Advances	21	1,270.04	1,322.04
(f) Other Current Assets	22	60.27	67.07
TOTAL		4,173.00	4761.76
		93,870.86	92028.04
SIGNIFICANT ACCOUNTING POLICIES	1		
THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS	2 to 37		

As per our report of even date

For J. G. Verma & Co.

Chartered Accountants

J. G. Verma

Partner

For and on behalf of Board of Directors

Dr. Vithal V. Kamat

Executive Chairman & Managing Director

Vikram V. Kamat

Executive Director

Mahesh Kandoi

Company Secretary

Ramesh N. Shanbhag

Wholetime Director

Kurian Chandy

Chief Financial Officer

Mumbai: 25th May, 2013

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

₹ In Lakhs

PARTICULARS	NOTE	YEAR ENDED	
		31ST MARCH, 2013	31ST MARCH, 2012
INCOME:			
Revenue from Operations	23	16,850.37	15,781.54
Other Income	24	211.35	443.70
Total Revenue		17,061.72	16,225.24
EXPENSES:			
Cost of Food and Beverages Consumed	25	2,009.41	1,784.18
Employee Benefit Expenses	26	4,259.11	3,967.08
Other Expenses	27	6,922.92	5,916.88
Total Expenses		13,191.44	11,668.14
Profit before Finance Costs, Depreciation, Exceptional Items and Tax:		3,870.28	4,557.10
Less: Finance Costs	28	8,489.07	6,200.43
Depreciation and Amortisation Expenses	13	2,421.18	1,824.78
Profit / (Loss) Before Exceptional Items and Tax		(7,039.97)	(3,468.11)
Exceptional Items	29	(494.30)	(126.44)
Profit / (Loss) Before Tax		(7,534.27)	(3,594.55)
Tax Expense:	35		
Current Tax		161.00	14.00
Prior Period Adjustments - Income Tax		28.56	-
Deferred Tax	6	(1,487.74)	(636.48)
		(1,298.18)	(622.48)
Less : MAT Credit Entitlement	35	-	14.00
		(1,298.18)	(636.48)
Profit/(Loss) for the year		(6,236.09)	(2,958.07)
Earning Per Equity Share of face value of ₹ 10/- each:			
Basic (in ₹)	31	(32.66)	(17.15)
Diluted (in ₹)	31	(32.66)	(17.15)
SIGNIFICANT ACCOUNTING POLICIES			
	1		
THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS			
	2 to 37		

As per our report of even date

For J. G. Verma & Co.
Chartered Accountants

J. G. Verma
Partner

Mumbai: 25th May, 2013

For and on behalf of Board of Directors

Dr. Vithal V. Kamat
Executive Chairman & Managing Director

Vikram V. Kamat
Executive Director

Mahesh Kandoi
Company Secretary

Ramesh N. Shanbhag
Wholetime Director

Kurian Chandoy
Chief Financial Officer

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

₹ in Lakhs

PARTICULARS	YEAR ENDED	
	31ST MARCH, 2013	31ST MARCH, 2012
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Loss for the year before tax and adjustments	(7,534.27)	(3,594.55)
<i>Adjustments for:</i>		
Depreciation	2,421.18	1,824.78
Amortisation of Expense	0.22	0.23
Amortisation of Advance Time Share Membership	(73.81)	(73.63)
(Profit) / Loss on Sale/Discard of Fixed Assets	(164.29)	167.03
Short / (Excess) Provision for Income Tax Written Back	-	(0.10)
Liabilities and Provisions written Back	(55.04)	(249.09)
Provision for Employee Benefits	90.78	89.10
Provision for Wealth Tax	1.60	2.15
Provision for Doubtful Debts and Deposits	592.02	-
Incomplete Project Expenses written off	207.93	0.58
Investments income	(0.51)	(0.41)
Interest income	(58.43)	(121.92)
Interest Expenses	8,489.07	6,200.43
Unrealized Exchange Loss/(Gain)	-	(3.46)
Operating profit before working capital changes	3,916.45	4,241.14
Trade Receivables and Loans and Advances	(247.55)	480.78
Inventories	(14.35)	(37.36)
Trade Payables and Provisions	785.77	493.11
Cash generated from operations	4,440.32	5,177.67
Direct taxes refund received (Net of payments)	43.00	(262.29)
Net cash from operating activities	4,483.32	4,915.38
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets (including Capital Work in Progress and Capital Advances)	(4,778.15)	(5,942.94)
Movement in Loans & Advances	306.41	(837.38)
Sale Proceeds of Fixed Assets	707.68	738.11
Investments sold during the year	0.05	-
Investments made during the year	(0.01)	(0.08)
Investments in Subsidiary Companies	(1,300.00)	(401.00)
Margin Money with Banks	530.94	(502.70)
Interest Received	85.90	676.34
Dividend Received	0.51	0.41
Net cash (used in) investing activities	(4,446.67)	(6,269.24)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

₹ in Lakhs

YEAR ENDED

	31ST MARCH, 2013	31ST MARCH, 2012
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from long term borrowings	9,690.58	11,692.53
Repayment of long term borrowings	(3,550.81)	(5,625.85)
Proceeds from short term borrowings	3,751.96	1,434.05
Repayment of short term borrowings	(5,623.31)	(5.42)
Share Application Money Received	1,900.00	-
Interest paid	(6,129.52)	(6,466.29)
Dividend paid	(2.62)	(1.51)
Net cash from financing activities	36.28	1,027.51
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	72.93	(326.35)
CASH AND CASH EQUIVALENTS AS AT 01.04.2012 (Opening Balance)	569.92	881.20
ADD : TRANSFERRED ON AMALGAMATION (Refer Note 4 (a))	-	14.05
ADD : TRANSFERRED ON ACQUISITION OF SUBSIDIARY	-	1.02
CASH AND CASH EQUIVALENTS AS AT 31.03.2013 (Closing Balance)	642.85	569.92
Components of Cash and Cash Equivalents		
- Balance with Banks	542.61	489.51
- Cash on hand	42.69	32.48
- Cheques on hand	57.21	47.43
- Foreign Exchange in hand	0.34	0.50
Total Cash and Cash Equivalents (Note 20)	642.85	569.92
SIGNIFICANT ACCOUNTING POLICIES	Note 1	
THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS	Note 2 to 37	

As per our report of even date

For J. G. Verma & Co.

Chartered Accountants

J. G. Verma

Partner

Mumbai: 25th May, 2013

For and on behalf of Board of Directors

Dr. Vithal V. Kamat

Executive Chairman & Managing Director

Vikram V. Kamat

Executive Director

Mahesh Kandoi

Company Secretary

Ramesh N. Shanbhag

Wholetime Director

Kurian Chandy

Chief Financial Officer

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

1 Principles of Consolidation and Significant Accounting Policies:

1.1 Principles of Consolidation:

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

The financial statements of the 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 by the Companies (Accounting Standards) Rules, 2006. 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 by the Companies (Accounting Standards) Rules, 2006. The financial statements of the Subsidiaries and the Jointly Controlled Entity used in the consolidation are drawn upto the same reporting date as that date of the Company, i.e. 31st March, 2013. The excess of cost to the Company of its investment in the Subsidiaries and Jointly Controlled Entity over the Company's portion of equity, as at the date of making the investment, is treated as Goodwill on Consolidation. The excess of 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.

Minority Interest in the Net assets of Subsidiaries consist of :

- i) The amount of equity attributable to the minorities at the date on which investment in Subsidiaries /Joint Venture is made, and;
- ii) The minorities share of the movements in equity since the date the Parent Subsidiary relationship came into existence.

(b) The list of Subsidiaries and Jointly Controlled Entity, which are included in the consolidation with their respective country of incorporation and the Group'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% (83.33% upto 20th February 2013)
Date of becoming Subsidiary :		21st May, 2009
Name of the Company :	(2)	Kamat Restaurants (India) Private Limited
Country of Incorporation :		India
Holding % :		100%
Date of becoming Subsidiary :		28th May, 2011
Name of the Company :	(3)	Fort Jadhavgadhd Hotels Private Limited
Country of Incorporation :		India
Holding % :		100%
Date of becoming Subsidiary :		20th February, 2012
Name of the Company :	(4)	Jadhavgadhd Hotels Private Limited
Country of Incorporation :		India
Holding % :		100% Subsidiary of Fort Jadhavgadhd Hotels Private Limited
Date of becoming Subsidiary :		23rd April, 2012
Name of the Company :	(5)	Fort Mahodadhinivas Palace Private Limited
Country of Incorporation :		India
Holding % :		100%
Date of becoming Subsidiary :		30th April, 2011
Name of the Company :	(6)	Green Dot Restaurants Private Limited
Country of Incorporation :		India
Holding % :		100%
Date of becoming Subsidiary :		25th October, 2012

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

ii) Jointly Controlled Entity:

Name of the Company :	(7)	Ilex Developers & Resorts Limited
Country of Incorporation :		India
Holding % :		32.92%
Date of becoming Joint Venture :		1st March 2010

1.2 Basis for preparation of financial statements:

The Consolidated Financial Statements relate to Kamat Hotels (India) Limited ('the Company'), its Subsidiaries, Jointly Controlled Entity, as at 31st March, 2013. The Company, its subsidiaries and jointly controlled entity constitute 'the Group'. The consolidated financial statements are prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with accounting principles generally accepted in India ("Indian GAAP") and are in compliance with the Accounting Standards as notified by the Companies (Accounting Standards) Rules 2006.

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.

Depreciation on fixed assets is provided on the straight line method pro-rata to the period of use at the rates of depreciation prescribed in Schedule XIV to the Companies Act, 1956 which are considered as the minimum rates. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on management's estimate of the useful life / remaining useful life. Buildings taken on Lease and Leasehold Improvements are written off over the primary lease period. Individual assets costing less than ₹ 5,000/- are depreciated in full in the year of purchase.

1.3.2 Impairment:

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

1.3.3 Leases:

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

1.3.4 Investments:

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

1.3.5 Inventories:

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

1.3.6 Revenue Recognition:

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

Sales and services are stated exclusive of taxes.

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

1.3.7 Export Benefits Entitlement:

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

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

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 the Government of India on 31st March 2009 in so far as they relate to the acquisition of a depreciable capital asset, are added to or deducted from the cost of the assets and depreciated over the balance useful life of the asset, and in other cases are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortized over the balance period of such long term monetary item in accordance with the aforesaid Notification.

1.3.9 Borrowing Costs:

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

1.3.10 Provisions, Contingent Liabilities and Contingent Assets:

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

1.3.11 Employee Benefits:

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

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

The Group 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 Taxes on Income:

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

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

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

1.3.14 Earnings Per Share:

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

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	₹ in lakhs	
	AS AT 31ST MARCH, 2013	AS AT 31ST MARCH, 2012
2 SHARE CAPITAL :		
AUTHORISED:		
3,42,50,000 (Previous Year 3,00,00,000) Equity Shares of ₹ 10/- each.	3,425.00	3,000.00
Add: Nil (Previous Year 42,50,000) Equity Shares of ₹ 10/- each on amalgamation (Refer Note 4)	-	425.00
	3,425.00	3,425.00
ISSUED, SUBSCRIBED AND PAID UP		
1,90,93,394 (Previous Year 1,50,41,205) Equity Shares of ₹ 10/- each, fully paid up	1,909.34	1,504.12
Add: Nil (Previous Year 40,52,189) Equity Shares of ₹ 10/- each, fully paid up	-	405.22
	1,909.34	1,909.34
Add: Forfeited Shares Account (Amount originally paid up)	58.85	58.85
Total	1,968.19	1,968.19

2.1 Terms/ rights attached to equity shares

The Group 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 Group declares and pays dividend in Indian rupees.

In the event of liquidation of the Group, the holders of equity shares will be entitled to receive remaining assets of the Group, 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 Group allotted Nil (Previous Year ₹ 40,52,189) Equity Shares of ₹ 10/- each as fully paid up at a premium of ₹ 125/- per Equity Share to the FCCB holder on conversion of balance FCCBs during the year.

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

Name of Shareholder	AS AT 31ST MARCH, 2013		AS AT 31ST MARCH, 2012	
	No of Shares	% held	No of Shares	% held
Kamat Holdings Private Limited	15,00,000	7.86	15,00,000	7.86
Plaza Hotels Private Limited	32,15,927	16.84	32,15,927	16.84
Indira Investments Private Limited	15,29,100	8.01	15,29,100	8.01
Dr. Vithal V. Kamat	10,57,376	5.54	10,57,376	5.54
Clearwater Capital Partners Cyprus Limited	76,28,149	39.95	39,41,803	20.64
Systematix Corporate Services Limited Escrow A/c Clearwater Capital Partners	-	-	19,54,196	10.23

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

Particulars	AS AT 31ST MARCH, 2013 No of Shares	AS AT 31ST MARCH, 2012 No of Shares
Equity Shares at the beginning of the year	1,90,93,394	1,50,41,205
Add: Equity Shares issued on conversion of FCCB's	-	40,52,189
Equity Shares at the end of the year	1,90,93,394	1,90,93,394

2.5 Refer Note 4 for particulars of Equity Shares to be issued to the shareholders of erstwhile Kamat Holiday Resorts Private Limited and Kamats Restaurants Private Limited merged with the Company and shareholders of Kamats Holiday Resorts (Silvassa) Limited as a consideration for merger of its Lotus Goa Resorts during the year 2011-12.

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	₹ in lakhs	
	AS AT 31ST MARCH, 2013	AS AT 31ST MARCH, 2012
3 RESERVES AND SURPLUS:		
Capital Reserve:		
As per last accounts	13.87	-
Add: Transferred on Amalgamation [Refer Note 4(a)]	-	13.87
	13.87	13.87
Capital Redemption Reserve:		
As per last accounts	266.50	266.50
Securities Premium Account:		
As per last accounts	12,949.70	7,855.31
Add: On issue of shares on conversion of FCCB [Refer Note 2.2]	-	5,065.24
Add: Transferred on Amalgamation [Refer Note 4(a)]	-	29.15
	12,949.70	12,949.70
General Reserve:		
As per last accounts	3,767.09	3,761.80
Add: Transferred on Amalgamation [Refer Note 4(a)]	-	5.29
	3,767.09	3,767.09
Amalgamation Reserve		
As per last accounts [Refer Note 4(a)]	280.06	-
Set aside during the year	-	280.06
	280.06	280.06
Surplus in the Statement of Profit and Loss	17,277.22	17,277.23
As per last accounts	1,088.11	3,713.52
Add: Profit / (Loss) for the year	(6,236.08)	(2,958.07)
Sub-total	(5,147.97)	755.45
Add: Transferred on Amalgamation [Refer Note 4(a)]	-	139.42
Add: Pre Acquisition Reserve	-	0.71
	(5,147.97)	895.58
Add : Transferred to Minority Interest	334.83	192.53
	(4,813.14)	1,088.11
Total	12,464.08	18,365.34
4 SHARE APPLICATION MONEY PENDING ALLOTMENT (Refer Note 4(a), 4(b))	2,186.10	286.10
	2,186.10	286.10

4 (a) COMPOSITE SCHEME OF ARRANGEMENT AND AMALGAMATION:

In terms of the "Composite Scheme of Arrangement and Amalgamation" ("the Scheme") for (i) amalgamation of Kamat Holiday Resorts Private Limited (KHRPL) and Kamats Restaurants Private Limited (KRPL) into the Company; and (ii) Demerger of 'Lotus Resort Goa Undertaking' (Lotus Resort, Goa) of Kamats Holiday Resorts (Silvassa) Limited (KHRSL) and merger thereof into the Company, as approved by the Shareholders of the Company in the court convened meeting held on 24th September, 2011 and subsequently sanctioned by the Hon'ble High Court of Judicature at Bombay under Section 391 to 394 of the Companies Act, 1956 vide its Order dated 13th January, 2012, a certified copy thereof has been filed with the Registrar of Companies on 25th February, 2012, all the assets and liabilities of the said erstwhile KHRPL and KRPL and all the assets and liabilities pertaining to Lotus Resort Goa erstwhile undertaking of KHRSL were transferred and vested in the Company with effect from the appointed date being 1st April, 2011 and the aforesaid Scheme has been given effect to in the accounts for the previous year ended 31st March, 2012.

As directed by the High Court, the Company has made an application to the Superintendent of Stamps for the purpose of adjudication of stamp duty payable on the Scheme of Arrangement and Amalgamation. Provision for stamp duty payable will be made in the books of accounts on completion of adjudication by the stamp authorities, the amount of which is yet to be ascertained.

Secondly, pursuant to the Scheme, the Company shall allot 28,61,035 Nos equity shares of ₹ 10/- each to the promoters of KHRPL, KRPL and KHRSL, which is pending. Accordingly, the paid up value of the shares to be issued has been shown under "Share Application Money-Pending Allotment" in the Balance Sheet.

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

- 4 (b) The Company has received share application money from two promoter-owned companies aggregating to ₹ 1,900.00 lakhs (Previous year ₹ Nil) towards meeting part of promoters' obligation as per CDR Scheme. The said application money has been shown under "Share Application Money- Pending Allotment" in the Balance Sheet pending approval from the share holders of the Company by way of Special Resolution under section 81 (1A) of the Companies Act, 1956 to be passed by postal ballot.

		₹ in lakhs
	AS AT 31ST MARCH, 2013	AS AT 31ST MARCH, 2012
5 LONG-TERM BORROWINGS		
SECURED:		
A Term Loans from Banks (Refer Note 5.1)	27,050.58	33,363.82
B Term Loans under Structured Mezzanine Credit Facility from Banks (Refer Note 5.2)	6,745.43	5,372.00
C Term Loan from a Financial Institution (Refer Note 5.3)	-	2,562.50
D Term Loans From Others (Refer Note 5.3)	9,171.57	7,380.76
Total	42,967.58	48,679.08

- 5.1 Term loans from Banks 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 ranking pari-passu mortgage on Group's immovable property being Hotel "VITS" at Andheri (East), hypothecation on movable fixed assets of Group's hotels at Fort Jadhav Gadh Pune and VITS, Nashik, Credit Card receivables, equitable mortgage of hotel property at Lotus Goa, mortgage / hypothecation of Land and Building / Other Movable assets of the Lotus Resorts, Silvassa owned by promoter group company, personal and corporate guarantees of certain promoter directors and entities. Refer Note 5.4 for particulars of Corporate Debt Restructuring (CDR) package.

Term loans of ₹ 17,360.00 Lakhs taken by a subsidiary company is secured by first charge on all movable and immovable fixed assets of the Subsidiary Company both present and future, secured by exclusive charge by way of hypothecation of the stocks, current assets including book debts, bills receivables both present and future, pledge of 30% share holding of subsidiary company guaranteed by corporate guarantee of holding company, corporate guarantees of certain promoter group company and personal guarantees of some Directors.

Term loan of ₹ 2,200.60 Lakhs taken by Joint venture company 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 a Director.

- 5.2 Term Loans under Structured Mezzanine credit facility from Banks are secured by first ranking pari-passu charge on lands at "The Orchid" at Vile Parle (East) (owned by Plaza Hotels Private Limited) together with hotel buildings and all appurtenances thereon, Credit Card receivables personal and corporate guarantees of certain promoter directors and entities and certain other collateral securities.

- 5.3 Term loans from Financial Institution and Others 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 ranking pari-passu mortgage on Group's immovable property being Hotel "VITS" at Andheri (East), hypothecation of all movable assets thereat, Credit Card receivables personal and corporate guarantees of certain promoter directors and entities and certain other collateral securities (Refer Note 5.4 for particulars of restructuring of debts under CDR package)

- 5.4 Company's proposal for restructuring of its debts is sanctioned by the Corporate Debt Restructuring Empowered Group (CDR EG) vide sanction letter dated 12th March, 2013 inter-alia on the following terms and conditions:

- Effective date for restructuring : 1st April, 2012
- Under the CDR package, debts are restructured as under:
 - Out of total debts of ₹ 42,600.83 lakhs, debts of ₹ 33,636.36 lakhs comprising of term loans, working capital loans by way of cash credit and temporary overdraft from six lenders were restructured and the lenders for the balance debts of ₹ 8,964.47 Lakhs did not participate and / or were not considered for restructuring.
 - Out of restructured debts of ₹ 33,636.36 lakhs as above, debts aggregating to ₹ 21,092.36 lakhs to be repaid by 31st March, 2014 out of sale proceeds of stipulated assets of the Company and balance ₹ 11,913.00 lakhs to be restructured as terms loans repayable in monthly installments from 1st April, 2014 till 2020 and ₹ 718.00 lakhs as working capital – cash credit.
 - Unpaid Interest of ₹ 5,055.00 lakhs on restructured debts to be converted into Funded Interest Term Loan and ₹ 1,808.00 lakhs will be repaid by 31st March, 2014 out of sale of stipulated assets of the Company and balance ₹ 3,247.00 lakhs will be repaid in 42 monthly installments from 1st April, 2014;
 - Concessional and stepped up rate of interest from 10.50% pa. to 14.50 % p.a will be applied.
 - Promoters to bring in contribution of ₹ 3,000.00 lakhs in the company in a phased manner;
 - Company to provide additional security by way of (i) corporate guarantee from its subsidiary, viz. Orchid Hotels Pune Pvt Ltd (OHPPL) and other associate companies; (ii) second *pari passu* charge on Company's hotel being VITS Mumbai; (iii) second *pari passu* charge on assets of OHPPL; (iv) pledge of shares of the OHPPL, of promoters' holding in the Company and promoters' holding in associate companies; (v) second charge on company's current assets; and (vi) personal guarantee of Mr. Vikram Kamat, Executive Director of the Company in addition to existing such guarantee given by Dr. Vithal V Kamat, Executive Chairman and Managing Director.
 - CDR lenders have a right to convert into equity shares of the Company either or part of the defaulted interest and principal and upto 20% of the debts outstanding beyond seven years from the date of letter of approval

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

- (h) The Company is required to implement the approved package within 90 days from the date of approval on 12th March, 2013 and the same is in progress.

In terms of the Letter of Approval dated 12th March, 2013 issued by the Corporate Debt Restructuring Cell, unpaid interest on various existing term loans for a period of 15 months from 1st April, 2012 to 30th June, 2013 is to be converted into Funded Interest Term Loan. The Company has converted an amount of ₹ 2,950.91 Lakhs in respect of unpaid interest upto 31st March, 2013 into Term Loan an amount of ₹ 380.54 Lakhs is under reconciliation with some lenders in respect of interim payments made by the Company during the pendency of its CDR application. Adjustments, if any, will be made on reconciliation and/or confirmation by those lenders.

- 5.5** Maturity Profile of Term Loans from Banks and others and rate of interest are as set out below (after considering revisions made under CDR Package as discussed in Note 5.4 above.

	Rate of Interest (p.a)	Maturity Profile (₹ in lakhs)			
		1-2 Years	2-3 Years	3-4 Years	4 Years & Above
Term Loans from Banks	10.50% to 13%	2,518.78	3,217.93	3,931.36	17,382.50
Term Loans under Structured Mezzanine Credit Facility from Banks	13.95%	1,173.12	1,466.40	1,466.40	2,639.52
Term Loans From Others	10.50% to 16%	363.30	494.57	517.36	7,796.34

		₹ in lakhs	
		AS AT 31ST MARCH, 2013	AS AT 31ST MARCH, 2012
6 DEFERRED TAX LIABILITY:			
Deferred tax Liability			
Related to Fixed Assets		5,869.59	4,550.73
Total		5,869.59	4,550.73
Deferred tax Assets			
Expenses allowable for tax purpose on payment basis		1,285.33	182.24
Provision for Employee Benefits		88.46	-
Provision for Doubtful Debts		92.33	57.66
Merger Expenses		3.06	3.88
Short Term Capital Loss		3.27	-
Long Term Capital Loss		18.19	23.89
Unabsorbed Depreciation /Business Loss		3,971.73	2,390.60
Total		5,462.37	2,658.27
Deferred Tax Liability (net)		407.22	1,892.46
Add: Deferred Tax Asset transferred on amalgamation		-	2.50
Deferred Tax Liability (net) after adjustments		407.22	1,894.96
Incremental Deferred Tax (asset)/charge for the year		(1,487.74)	(636.48)
7 OTHER LONG-TERM LIABILITIES:			
Deferred Sales Tax Liability (Refer Note 7.1)		100.97	116.67
Security Deposits - Others		44.15	112.89
Security Deposits from Joint Venture Company (Refer Note 7.2)		469.56	469.56
Unsecured Loans from Others		-	8.84
Time Share Membership- Refundable		1,710.80	1,736.24
Income received in Advance (Time Share)		860.80	932.79
Total		3,186.28	3,376.99
7.1	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.		
7.2	The Group has received Long term trade deposit of ₹ 700.00 Lakhs (Previous Year ₹ 700.00 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.		
8 LONG-TERM PROVISIONS:			
Provision for Employee Benefits- Gratuity (Refer Note 26.1.2)		8.22	4.46
Provision for Employee Benefits- Earned Leave (Refer Note 26.1.3)		155.88	130.07
Total		164.10	134.53
9 SHORT-TERM BORROWINGS			
SECURED:			
Working Capital Facility from Banks (Refer Note 9.1)		705.01	2,221.77
UNSECURED:			
Other Loans and Advances from related parties		-	43.79
Loans and Advances from Others		49.55	60.30
Total		754.56	2,325.86

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

- 9.1** Working Capital loan from Banks are secured by hypothecation of stocks and book debts of the Group and first ranking pari-passu mortgage of immovable property being Hotel "VITS" at Andheri (East), hypothecation of all movable assets thereat, Credit Card receivables and personal and corporate guarantees of certain promoter directors and entities (Refer Note 5.4 for particulars of restructuring of debts under CDR package)

		₹ in lakhs	
		AS AT 31ST MARCH, 2013	AS AT 31ST MARCH, 2012
10 TRADE PAYABLES:			
Micro, Small and Medium Enterprises (Refer Note 10.1)		76.77	14.02
Others		2,667.62	1,364.15
Payable to related parties		56.01	57.79
Total		2,800.40	1,435.96

- 10.1** Micro, Small and Medium Enterprises as defined under MSMED Act, 2006 have been identified by the Group on the basis of the information available. Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period are given below:
Dues remaining unpaid at the year end:

- Principal	76.77	14.02
- Interest	3.17	0.99
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.	7.79	0.88
Amount of interest accrued and remaining unpaid at the year end	3.17	0.99
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	0.40	0.12

11 OTHER CURRENT LIABILITIES:

Current Maturities of Long-Term Debts: (Refer Note 5.4)

From Banks (Refer Note 5.1)	18,018.41	7,367.79
From Banks - under Structured Mezzanine Credit Facility (Refer Note 5.2)	293.29	-
From Financial Institution (Refer Note 5.3)	3,814.76	875.00
From Others (Refer Note 5.3)	1,431.89	875.77
	23,558.35	9,118.56
Creditors for Capital Expenditure	748.91	834.95
Advance from customers	309.57	248.30
Income Received in Advance (Time Share)	73.80	73.71
Income Received in Advance (Others)	102.88	246.92
	176.68	320.63
Bank Balance Overdrawn	392.64	74.29
Interest Accrued And Due	411.14	1,069.86
Interest Accrued But Not Due	252.76	185.39
	663.90	1,255.25
Unpaid / Unclaimed Dividends (Refer Note 11.1)	11.83	14.45
Other Payables (Refer Note 11.2)	978.18	778.34
Total	26,840.06	12,644.77

- 11.1** There is no amount due and outstanding to be credited to Investors Education and Protection Fund as on 31st March 2013.
11.2 Includes employees dues, statutory dues and security deposits.

12 SHORT-TERM PROVISIONS:

Provision for Employee Benefits- Gratuity (Refer Note 26.1.2)	57.08	31.60
Employee Benefits- Earned Leave (Refer Note 26.1.3)	71.46	69.25
Provision for Wealth Tax	3.75	2.15
Total	132.29	103.00

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

13. FIXED ASSETS :

Description		GROSS BLOCK-COST / BOOK VALUE						DEPRECIATION / AMORTISATION				NET BLOCK		₹ in Lakhs
		As at 1st April, 2012	Transfer on Amalgamation	Additions / adjustments during the year	Borrowing Cost Capitalised	Foreign Exchange Diff. (AS-16)	Deductions / adjustments during the year	As at 31st March, 2013	As at 1st April, 2012	On Amalgamation	For the year	Deductions / adjustments during the year	As at 31st March, 2013	
I)	TANGIBLE													
	Land													
	a) Freehold	3,269.67	-	323.92	-	-	188.37	3,405.22		-	-	-	3,405.22	3,269.67
	b) Leasehold	31.28	-	-	-	-	-	31.28		-	0.03	-	31.25	31.28
	Sub-Total	3,300.95	-	323.92	-	-	188.37	3,436.50		-	0.03	-	3,436.47	3,300.95
	Buildings													
	a) Freehold (Note 13.1)	9,707.64	-	35.00	-	-	143.19	9,599.45	2,173.74	-	207.16	33.77	7,252.32	7,533.90
	b) Lease Hold	31,682.75	-	2,012.15	-	-	-	33,694.90	424.32	-	657.32	-	32,613.26	31,258.43
	c) Improvements to Buildings under Long Term Contracts	27,649.58	-	253.69	-	-	828.56	27,074.71	3,382.87	-	812.59	63.30	22,942.55	24,266.71
	Sub-Total	69,039.97	-	2,300.84	-	-	971.75	70,369.06	5,980.93	-	1,677.07	97.07	62,808.13	63,059.04
	Plant and Equipment	9,531.34	-	178.46	-	-	32.64	9,677.16	2,949.91	-	502.59	4.25	6,228.91	6,581.43
	Furniture and Fixtures	2,406.41	-	44.66	-	-	74.97	2,376.10	1,646.63	-	158.35	61.74	1,743.24	759.78
	Vehicles	338.86	-	0.09	-	-	2.72	336.23	165.81	-	30.33	2.72	193.42	185.54
	Office Equipment	454.57	-	4.23	-	-	0.79	458.01	153.12	-	34.80	0.18	187.74	288.96
	Sub-Total	12,731.18	-	227.44	-	-	111.12	12,847.50	4,915.47	-	726.07	68.89	5,572.65	7,815.71
	Total	85,072.10	-	2,852.20	-	-	1,271.24	86,653.06	10,896.40	-	2,403.17	165.96	73,519.45	74,175.70
II)	INTANGIBLE													
	Computer Softwares	194.61	-	5.62	-	-	0.36	199.87	114.75	-	18.02	0.11	67.21	79.86
	Total	194.61	-	5.62	-	-	0.36	199.87	114.75	-	18.02	0.11	67.21	79.86
	Grand Total	85,266.71	-	2,857.82	-	-	1,271.60	86,852.93	11,011.15	-	2,421.19	166.07	73,586.66	74,255.56
	Previous Year Total	51,413.27	754.84	27,231.27	6,943.97	12.86	1,089.50	85,266.71	9,270.65	124.37	1,824.78	208.65	74,255.56	
	CAPITAL WORK-IN-PROGRESS													
	Capital Work-In-Progress (Note 13.2)	737.52	-	3,607.53	-	-	719.28	3,625.77		-	-	-	3,625.77	737.52
	Previous Year Total	28,665.54	-	4,585.58	-	-	32,513.60	737.52		-	-	-	737.52	
	NOTES:													
13.1	Buildings include (i) cost of residential flats of ₹ 43.70 Lakhs (Previous year ₹ 43.70 Lakhs) and (ii) cost of shares of ₹ Nil (Previous Year ₹ 0.02 Lakhs) in Co-operative Housing Society and Owners Condominium representing ownership right, and Cost of residential flats of ₹ 32.53 Lakhs (Previous Year ₹ 63.31 Lakhs) as part of proposed hotel project at Nagpur.													
13.2	Staff Cost ₹ 29.41 Lakhs (Previous Year ₹ 65.48 Lakhs); Travelling Expenses by Directors ₹ 0.67 Lakhs (Previous Year ₹ 4.74 Lakhs); Travelling Expenses by Others ₹ 2.76 Lakhs (Previous Year ₹ 7.34 Lakhs); Interest on Fixed Loans ₹ 3,401.66 Lakhs (Previous Year ₹ 238.29 Lakhs); General Expenses ₹ 22.10 Lakhs (Previous Year ₹ 57.24 Lakhs); Licences, Rent, Rates & Taxes ₹ 5.37 Lakhs (Previous Year ₹ 40.53 Lakhs); Legal & Professional Charges ₹ 26.98 Lakhs (Previous Year ₹ 34.90 Lakhs); Postage & Telephone Charges ₹ 0.20 Lakhs (Previous Year ₹ 0.68 Lakhs); Printing & Stationery ₹ 0.32 Lakhs (Previous Year ₹ 0.90 Lakhs); Finance Charges ₹ 0.63 Lakhs (Previous Year ₹ 8.15 Lakhs); Advertisement Charges ₹ 0.49 Lakhs (Previous Year ₹ 0.46 Lakhs); Consultancy Charges ₹ 6.44 Lakhs (Previous Year ₹ 54.38 Lakhs); Building Under Construction ₹ 78.39 Lakhs (Previous Year ₹ 174.22 Lakhs); Furniture & Fixture ₹ 4.12 Lakhs (Previous Year ₹ 5.37 Lakhs); Plant & Machinery ₹ 8.35 Lakhs (Previous Year ₹ 6.93 Lakhs); FCCB Expenses ₹ 37.90 Lakhs (Previous Year ₹ 37.90 Lakhs).													

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

14 NON-CURRENT INVESTMENTS

			₹ in lakhs	
			AS AT 31ST MARCH, 2013	AS AT 31ST MARCH, 2012
Number	Face Value per unit	Non Trade Investments		
Fully paid up equity shares (Quoted)				
50 (50)	₹ 10	-Royal Orchid Hotels Limited	0.03	0.03
Fully paid up equity shares (Unquoted)				
- (500)	₹ 10	-The Saraswat Co-Operative Bank	-	0.05
10,010 (10,000)	₹ 10	-The Satara Sahakari Bank Limited	5.00	5.00
Tax Saving Bonds (Unquoted)				
200 (200)	₹ 5,000	ICICI Tax Saving Bonds (Maturing on 16.11.2017)	10.00	10.00
Investments in Government Securities				
		6 Year NSC (Maturity on 18.08.2016)	0.05	0.05
Total Non-Current Investments			15.08	15.13
Aggregate amount of quoted Investments				
		-Cost	0.03	0.03
		-Market Value	0.01	0.02
Aggregate amount of unquoted Investments				
		-Cost	15.05	15.10

14.1 Figures in brackets are in respect of previous year.

15 LONG-TERM LOANS AND ADVANCES:

(Unsecured, good, unless otherwise stated)

Capital Advances [(include ₹ 203.65 Lakhs)

(Previous Year ₹ 203.65 Lakhs) considered doubtful]

Less: Provision for doubtful advances

Inter Corporate Deposit- Considered Doubtful

Less: Provision for Doubtful Deposits

Advance for purchase of Shares of subsidiary

Payment of Taxes (Less Provisions) (Refer Note 15.1)

MAT Credit Entitlement

Prepaid Expenses

Total

387.76	495.53
203.65	203.65
184.11	291.88
200.00	200.00
200.00	200.00
-	-
-	300.00
505.85	475.75
249.51	403.00
0.65	2.83
940.12	1,473.46

15.1 Payment of Taxes is net of provision for tax of ₹.369.95 Lakhs (Previous Year ₹ 342.35 Lakhs) and further after adjusting ₹ 152.00 Lakhs (Previous year ₹ Nil) for MAT credit availed during the year.

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

		₹ in lakhs	
		AS AT 31ST MARCH, 2013	AS AT 31ST MARCH, 2012
16 OTHER NON-CURRENT ASSETS:			
(Unsecured, good unless otherwise stated)			
Security Deposits		266.26	138.13
Long Term Deposits for Hotel and Other Properties (includes ₹ 488.62 Lakhs (Previous year ₹ Nil) considered doubtful (Refer Note 16.1 and Note 29.1)	8,533.57		8,548.87
Less: Provision for doubtful deposits	488.62		-
		8,044.95	8,548.87
Preliminary Expenses		0.48	0.47
Share issue Expenses		0.04	0.20
Total		8,311.73	8,687.67
16.1	The above deposits include ₹ 8,000.00 Lakhs (Previous Year ₹ 8,000.00 Lakhs) paid to Plaza Hotels Private Limited for hotel properties (a Company wherein some directors of the Group are directors).		
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 - ₹ 3.82 Lakhs (Previous Year ₹ 4.22 Lakhs)		5.00	5.00
Total		5.00	5.00
18 INVENTORIES:			
(At Lower of weighted average cost and net realisable values)			
Raw Materials and Others			
- Food and Beverages		126.24	112.88
- Stores and Operating Supplies		392.48	391.48
Total		518.72	504.36
19 TRADE RECEIVABLES:			
(Unsecured, good, unless otherwise stated)			
Unsecured:			
- Over Six Months ₹ 284.84 Lakhs (Previous year ₹ 184.13 Lakhs) (considered doubtful)		298.41	382.15
- Other Debts (₹ Nil (Previous year ₹ 2.80 Lakhs) (considered doubtful)		1,311.73	1,216.40
		1,610.14	1,598.55
Less: Provision for Doubtful Debts		284.84	186.93
Total		1,325.30	1,411.62
19.1	Provision for doubtful debts:- Opening Balance ₹ 186.93 Lakhs, Addition ₹ 101.22 Lakhs, Deduction ₹ 3.31 Lakhs, Closing Balance ₹ 284.84 Lakhs.		
20 CASH AND BANK BALANCES:			
Cash and Cash Equivalents:			
- Balance with Banks		542.61	489.51
- Cash on hand		42.69	32.48
- Cheques on hand		57.21	47.43
- Foreign Exchange in hand		0.34	0.50
Sub-total		642.85	569.92
Other Bank Balances:			
- Margin Money in Fixed Deposits with Banks		338.99	867.23
- Dividend Bank Accounts		11.83	14.52
Sub-total		350.82	881.75
Grand Total		993.67	1,451.67

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

		₹ in lakhs	
		AS AT 31ST MARCH, 2013	AS AT 31ST MARCH, 2012
21	SHORT TERM LOANS AND ADVANCES:		
	(Unsecured good)		
	- Loans and Advances to Related Parties (Refer Note 21.1)	-	0.07
	- Loans and Advances to Employees	1.35	2.13
	- Deposits including Balances with Government and other agencies	16.61	24.91
	- Advance Payment of Taxes (Net)(Refer Note 21.2)	830.69	938.40
	- Prepaid Expenses	301.83	156.93
	- Others (Refer Note 21.3)	119.56	199.60
	Total	1,270.04	1,322.04
21.1	Include ₹ Nil (Previous Year ₹ 0.07 Lakhs) due from Fort Jadhavgadhd Hotels Private Limited, a subsidiary.		
21.2	Payment of taxes is net of provision for tax of ₹ 931.39 Lakhs (Previous Year ₹ 804.65 Lakhs).		
21.3	Include advances to suppliers and for expenses.		
22	OTHER CURRENT ASSETS:		
	(Unsecured good)		
	- Interest Receivable on Bank Deposits and Investments	60.00	66.80
	- Preliminary Expenses	0.07	0.07
	- Share issue Expenses	0.20	0.20
	Total	60.27	67.07
23	REVENUE FROM OPERATIONS:		
	Revenue from Hotel Operations:		
	Rooms	8,863.88	8,553.90
	Food and Beverages	6,243.95	5,651.01
	Income from Time Share Business (Refer Note 23.1)	364.38	287.08
	Management and Consultancy Fees	176.12	284.94
	Sub total	15,648.33	14,776.93
	Other Operating Revenue:		
	Swimming Pool and Health Club	41.02	40.41
	Conference and Banqueting Services	512.35	305.27
	Internet and Telephone	21.16	48.44
	Laundry Services	66.95	61.07
	Car Rental and Transportation	131.10	78.30
	Membership- Sales Promotion Schemes	235.49	280.41
	Licence fees - Shops and Offices	159.25	98.25
	Miscellaneous Services	36.54	96.32
	Sub total	1,203.86	1,008.47
	Less: Excise Duty	1.82	3.86
	Total	16,850.37	15,781.54

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

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

		₹ in lakhs	
		YEAR ENDED	
		31ST MARCH, 2013	31ST MARCH, 2012
24	OTHER INCOME:		
	Interest Earned		
	Interest on Long Term Investments	6.57	5.80
	Interest from Banks	43.43	50.65
	Interest from Others	8.42	65.47
		58.42	121.92
	Gain on Foreign Exchange	9.09	14.12
	Dividend on Long Term Investments	0.51	0.41
	Liabilities and Provisions written back (Refer Note 24.1)	63.75	249.19
	Licence Fees-Other Properties	71.07	54.61
	Other Non Operating Income	8.51	3.45
	Total	211.35	443.70

- 24.1** Liabilities and Provisions written back include ₹ Nil (Previous Year ₹ 51.71 Lakhs) towards excess provision for gratuity written back relating to earlier years.

25	COST OF FOOD AND BEVERAGE CONSUMED:		
	Opening Stock	112.88	106.37
	Add: Purchases	2,022.77	1,790.69
		2,135.65	1,897.06
	Less: Closing Stock	126.24	112.88
	Total	2,009.41	1,784.18

25.1	Particulars of imported and indigenous food and beverages consumed:		
	Value - Imported	1.28	0.90
	- indigenous	2,008.13	1,783.28
		2,009.41	1,784.18
	Percentage - Imported	0.06%	0.05%
	- indigenous	99.94%	99.95%
		100%	100%

26	EMPLOYEE BENEFITS EXPENSE:		
	Salaries and Wages	3,693.02	3,366.32
	Contribution to Provident and other Funds	183.74	173.11
	Provision for Gratuity (Refer Note 26.1.2)	55.85	35.09
	Provision for Leave Encashment (Refer Note 26.1.3)	34.92	54.07
	Staff Welfare Expenses	291.58	338.49
	Total	4,259.11	3,967.08

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

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

₹ in lakhs

YEAR ENDED

31ST MARCH, 2013	31ST MARCH, 2012
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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	182.05	171.55
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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	203.99	174.97
Current Service Cost	36.25	40.25
Interest Cost	17.34	14.00
Actuarial (gain) / loss	13.50	(8.02)
Benefit Paid	(28.43)	(17.21)
Defined Benefit obligation at year end	242.65	203.99

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

Fair value of plan assets at beginning of the year	172.47	137.31
Expected return on plan assets	14.83	10.98
Employers Contribution	26.61	38.97
Benefit Paid	(28.43)	(17.21)
Actuarial (gain) / loss	0.21	2.42
Fair value of plan assets at year end	185.69	172.47
Actual return on plan assets	14.83	13.43

c Reconciliation of fair value of assets and obligations

Fair value of plan assets as at 31st March, 2013	185.69	172.47
Present value of obligation as at 31st March ,2013	242.65	203.99
Amount recognised in Balance Sheet	56.96	31.52

d Net Gratuity and other cost for the year

Current Service Cost	36.25	40.25
Interest Cost	17.34	14.00
Expected return on plan assets	(14.83)	(10.98)
Actuarial (gain)/loss	13.29	(10.46)
Net Cost	52.05	32.81

e Investment Details

	% invested	% invested
L I C Group Gratuity (Cash Accumulation) Policy	100.00	100.00

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

		₹ in lakhs	
		YEAR ENDED	
		31ST MARCH, 2013	31ST MARCH, 2012
f Actuarial assumptions			
Mortality Table (L.I.C)		1994-96 (Ultimate)	1994-96 (Ultimate)
Discount rate (per annum)		8.50%	8.50%
Expected rate of return on plan assets (per annum)		8.70%	8.60%
Rate of escalation in salary (per annum)		6.50%	6.50%
Employers Best estimate of expected contribution for next year		56.96	67.76

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 Group'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		4.54	2.26
Current Service Cost		4.56	2.37
Interest Cost		0.37	0.18
Actuarial (Gain) / Loss on Obligation		(1.13)	(0.27)
Benefit Paid		-	-
Present value of the obligation at the end of the year		8.34	4.54
b) Amounts Recognised in the Balance Sheet:			
Present value of Obligation at the end of the year		8.34	4.54
Fair value of Plan Assets at the end of the year		-	-
Net Obligation at the end of the year		8.34	4.54
c) Amounts Recognised in the Statement of Profit and Loss:			
Current Service Cost		4.56	2.37
Interest cost on Obligation		0.37	0.18
Expected return on Plan Assets		-	-
Net Actuarial (Gain) / Loss recognised in the year		(1.13)	(0.27)
Net Cost		3.80	2.28
d) Actuarial assumptions			
Discount rate		8.50%	8.50%
Expected Rate of Return on Plan Assets		--	--
Salary Escalation Rate		6.50%	6.50%
Mortality Table (LIC)		(1994-96) Ultimate	(1994-96) Ultimate

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

		₹ in lakhs	
		YEAR ENDED	
		31ST MARCH, 2013	31ST MARCH, 2012
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		199.32	134.86
Opening Balance transferred from merger companies		-	10.39
Current Service Cost		3.52	12.20
Interest Cost		0.08	0.07
Benefit Paid		(0.49)	(0.07)
Actuarial (gain) / loss		24.91	41.87
Defined Benefit obligation at year end		227.34	199.32
b. Reconciliation of fair value of assets and obligations			
Present value of obligation as at 31st March, 2013		227.34	199.32
Amount Recognised in Balance Sheet		227.34	199.32
c Expenses recognised during the year			
Current Service Cost		3.52	12.20
Interest Cost		0.08	0.07
Actuarial (gain)/loss		24.91	41.87
Net Cost		28.51	54.14
26.2 Managerial Remuneration :			
Remuneration to Managing and Whole Time Directors (₹ 96 lakhs to Managing Director) (Previous Year ₹ 90 Lakhs) (Refer Note 26.3)		162.00	148.00
Contribution to Provident Fund		15.58	14.63
Perquisites		0.57	0.53
Sub-Total		178.15	163.16
Directors Sitting Fees		8.15	10.00
Total		186.30	173.16
26.3	Payment of remuneration to Dr. Vithal V. Kamat, Executive Chairman and Managing Director, 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 31 st March, 2013, there is an excess remuneration of ₹ 48.78 Lakhs (Previous year ₹ 43.13 Lakhs) paid to Dr. Vithal V. Kamat Executive Chairman and Managing Director and in terms of the decision of the Remuneration Committee in its meeting held on 25th May, 2013, the Company is proposing to make an application to the Central Government for waiver of recovery of above excess remuneration and the required particulars are being placed before the shareholders in the ensuing Annual General Meeting of the Company. Accordingly, the above remuneration is subject to these approvals.		
27 OTHER EXPENSES:			
OPERATING EXPENSES:			
Heat , Light and Power		2,003.06	1,556.90
Rent		338.89	307.99
Licences, Rates and Taxes (Refer Note 27.1)		782.69	347.81
Repairs to Buildings		127.51	134.19
Repairs to Plant and Machinery		247.54	223.27
Repairs to Others		154.50	113.06
Expenses on Apartments and Boards		600.09	765.99
Replacements of Crockery, Cutlery, Linen, etc.		93.52	113.20
Washing and Laundry Expenses		226.23	216.87
Water Charges		164.93	128.64
Sub-Total		4,738.96	3,907.92

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

₹ in lakhs

		YEAR ENDED	
		31ST MARCH, 2013	31ST MARCH, 2012
GENERAL EXPENSES:			
Advertisement, Publicity and Sales Promotion		334.69	344.84
Travel Agents' Commission		144.63	151.02
Discount to Collecting Agents		113.90	105.66
Management/Licence Fees and Royalty		118.66	108.76
Loyalty Programme Expenses		41.82	41.18
Band and Music Expenses		177.91	157.96
Sub-Total		931.61	909.42
ADMINISTRATIVE AND OTHER EXPENSES:			
Communication Expenses		114.78	129.87
Printing and Stationery		90.67	102.78
Legal and Professional charges		363.58	357.90
Directors' Sitting fees		8.15	10.00
Travelling and Conveyance		169.00	158.57
Insurance		57.64	46.65
Bad Debts		2.17	0.24
Provision for Doubtful debts		101.22	0.34
Auditors' Remuneration (Refer Note 27.2)		14.04	14.73
Sales Tax / Vat / Luxury Tax etc. including assessment dues		171.20	100.38
Loss on Sale/Discard of Fixed assets (Net)		-	40.61
Prior Period Expenses		17.24	8.91
Miscellaneous Expenses		142.66	128.56
Sub-Total		1,252.35	1,099.54
Total		6,922.92	5,916.88
27.1	The Municipal Corporation of Greater Mumbai (MCGM) has raised an additional demand for property tax of ₹ 216.96 Lakhs (Previous Year ₹ Nil) for the years 2010-11 and 2011-12 and ₹ 105.55 Lakhs (Previous Year Rs. Nil) for the year 2012-2013 in respect of Company hotels and offices based on newly introduced capital value method during the year. The Company has filed objections to the said valuation which are pending disposal by MCGM. Pending such disposal, the Company has made provision for the same and adjustment, if any will be made on disposal of Company's objections.		
27.2	Auditors' Remuneration		
- As Audit Fees		9.70	9.78
- Taxation Services		1.67	1.25
- Other Services		2.03	2.09
- Out of Pocket Expenses		0.20	0.20
- Service Tax (net of Input tax credit availed)		0.44	1.41
Total		14.04	14.73
28	FINANCE COSTS:		
Interest Expense		8,306.17	5,976.52
Other Borrowing Cost		182.90	223.91
Total		8,489.07	6,200.43
29	EXCEPTIONAL ITEMS:		
INCOME:			
Profit on disposal of certain non-productive Fixed Assets		221.96	58.83
Input Service tax Credit of earlier year available to the Company		40.62	-
		262.58	58.83
Less: EXPENSES:			
Loss on Write-off of Fixed Assets of certain unviable units of the Company		60.33	167.61
Loss due to compulsory acquisition of a portion of Company's land at Nagpur.		-	17.66
Incomplete Hotel Project Expenses Written Off		207.93	-
Provision for doubtful deposit for Hotel Project		488.62	-
		756.88	185.27
Total		(494.30)	(126.44)

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

29.1 In terms of the Memorandum of Understanding with a party 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 project, the expenditure incurred on the said incomplete project has been written off and a provision has been made in the current year for the deposit paid to the said party. In the meantime, the Company has 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 and further proceedings including filing a claim in the matter by the Company is in progress. Adjustments, if any, to the expenditure written off and provision made as above, will be made on disposal of the Arbitration Proceedings in the above matter.

30 Contingent Liabilities and Commitments.

I Contingent liabilities:

	AS AT 31ST MARCH 2013	AS AT 31ST MARCH 2012
A Claims Against Group / Disputed liabilities not acknowledged as debts.		
i) Disputed Income Tax Demand	743.50	737.50
The above includes a disputed demand of ₹ 728.40 Lakhs (Previous year ₹ 728.40 Lakhs) raised on completion of assessment for assessment year 2008-09 in earlier year, which was disputed by the Group in appeal. The appeal has been allowed substantially in favour of the Group and appeal effect is pending. On giving effect to the appellate order the demand will be ₹ 190.27 Lakhs for which no provision has been made as the same is disputed by the Group by filing a second appeal, which is pending.		
ii) Open import License	1,490.13	1,022.84
iii) Claims against the Group not acknowledged as debt.	66.29	-
iv) Other Matters disputed	17.72	-
B Guarantees:		
i) Corporate guarantee given to a bank given in respect of credit facilities availed by Subsidiary Company.	20,434.00	16,434.00
ii) Counter Guarantees issued by the Group to secure Bank Guarantees.	111.40	1,402.74
C Other Money for Which the Group is contingently liable.		
i) Obligation towards payments to project creditors of subsidiary company.	64.01	396.11
ii) Monetary value of unredeemed points in respect of Guest Loyalty program for Sales Promotion.	26.98	26.70
iii) Consent fee payable to Government of Orissa for transfer of lease rights in favour of Kamat Hotels (India) Limited.	NIL	88.88

II Commitments.

A Estimated amount of capital commitments to be executed on capital accounts and not provided for (net of advances)	86.91	616.99
B Other Commitments		
i) Undertaking given by the Group in favour of a lender to repay the loan to the extent of 50% of sale proceeds of the Assets sold.	3,106.19	3,106.19
ii) Commitment to the V Privilege Scheme members for providing Hospitality services during the year 2013-14 as per membership sale value	67.70	41.34
iii) Obligations under CDR Scheme to the lenders to repay part of the term loans and funded interest term loan out of the sale proceeds of specified assets of the Group by 31st March, 2014.	22,500.00	-
iv) The Group has put up an STP Unit on an adjacent immovable property owned by Kamats Amusements Private Limited in earlier years for its Orchid Hotel, Mumbai and continues to use the same. The Group is obliged to compensate appropriately to the owner for such user of property as explained in the Explanatory Statement under section 393 of the Companies Act, 1956 to the notice convening the meeting of the shareholders of the Group on 22nd October 2005 pursuant to Bombay High Court Order dated 2nd September 2005 and as approved by the Board of Directors of the Group in the meeting held on 26th July 2008. The modalities are being worked out.		
v) Certain ex-employees of the Company have demanded re-instatement of their service along with arrears of wages, which is contested by the Company.		

31 Earnings Per Share

Basic and Diluted

Net Profit / (Loss) after tax as per Statement of Profit and Loss (Rupees)	(6,236.08)	(2,764.84)
No. of Shares issued	19,093,394	19,093,394
Nominal Value of Share (Rupees)	10	10

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	₹ In Lakhs	
	YEAR ENDED	
	31ST MARCH 2013	31ST MARCH 2012
Weighted average no. of Shares – Basic	1,90,93,394	1,61,23,165
Weighted average no. of Shares – Diluted	2,19,89,132	2,19,54,429
Basic E.P.S. (Rupees) :	(32.66)	(17.15)
Diluted E.P.S. (Rupees): (See Note below)	(32.66)	(17.15)

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

32 Segment Reporting

The Group activities involve predominantly providing hospitality related services, which is considered to be a single business segment since these are subject to similar risks and returns. Further, services are not provided out of India and hence there are no reportable geographical segments. Accordingly, the financial statements are reflective of the information required by Accounting Standard 17 - Segment Reporting (AS-17) as notified by the Companies (Accounting Standards) Rules, 2006.

33 Related Parties Disclosures:

Related Parties where control exists:

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

Plaza Hotels Private Limited
Kamats Holiday Resorts (Silvassa) Limited
Vishal Amusements Limited
Indira Investments Private Limited
Kamburger Foods Private Limited
Kamat Eateries Private Limited
Kamats Amusements Private Limited
Talent Hotels Private Limited
Karaoke Amusements Private Limited
Karwar Hotels Private Limited
Busybee Developers Private Limited
Grasshoppers Developers Private Limited
Nagpur Ecohotel Private Limited
VITS Hotels (Bhubaneswar) Private Limited

- (b) Key Management Personnel and their relatives:

Dr. Vithal V. Kamat - Executive Chairman & Managing Director
Mr. Ramesh N. Shanbhag - Whole Time Director
Mr. Vikram V. Kamat - Executive Director & also relative
Mrs. Vidya V. Kamat - Relative
Mr. Vishal V. Kamat - Chief Executive Officer of Fort Jadhavgadh, Pune and a relative

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

V. V. Kamat HUF

- (d) Summary of transactions during the year with Related Parties entered into on commercial basis in the interest of the Group and approved by the Board and status of outstanding balances as on 31st March, 2013:

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

				₹ 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	34.43 (10.59)	Nil (Nil)	6.59 (5.31)
2	Consultancy Fees/Fees paid towards hotel property under Business Contract Agreement	74.90 (73.01)	Nil (Nil)	Nil (Nil)
3	Purchase of goods & services	Nil (Nil)	29.23 (18.79)	Nil (Nil)
4	Remuneration to Key Management Personnel	Nil (Nil)	182.36 (163.96)	Nil (Nil)
5	Loan Recovered during the year	0.07 (Nil)	Nil (Nil)	Nil (Nil)
6	Loans Repaid during the year	34.69 (Nil)	0.66 (Nil)	Nil (Nil)
7	Share Application Money received	1,900.00 (Nil)	Nil (Nil)	Nil (Nil)
8	Short term loans taken* * Transferred on Amalgamation	Nil (34.69)	Nil (0.66)	Nil (45.58)
9	Balance outstanding at the year end:			
(a)	Share application money pending allotment	1,959.55 (59.55)	225.46 (225.46)	1.10 (1.10)
(b)	Accounts receivable	0.05 (25.67)	Nil (Nil)	Nil (Nil)
(c)	Deposit paid includes Under Business Contract Agreement	8,000.00 (8,000.00)	Nil (Nil)	25.00 (25.00)
(d)	Long Term Trade Deposit received towards Business Contract Agreement.	469.56 (469.56)	Nil (Nil)	Nil (Nil)
(e)	Amounts Payable	26.94 (37.35)	3.82 (20.34)	Nil (43.24)
(f)	Mortgage Created by Associate Company on its immovable property to secure the borrowings of the Company.	46.88 (96.05)	Nil (Nil)	Nil (Nil)
(g)	Undertaking given by the Associate companies in favour of IL&FS towards repayment of loan from 50% of Sale Proceeds of their immovable properties.	4,643.81 (4,643.81)	Nil (Nil)	Nil (Nil)
(h)	Corporate Guarantee issued by the Company in favour of banks on behalf of Joint Venture Company	1,000.00 (1,000.00)	Nil (Nil)	Nil (Nil)
(i)	Corporate Guarantee / Personal Guarantee provided by Plaza Hotels Private Limited / Kamats Holiday Resorts (Silvassa) Limited / Executive Chairman & Managing Director and Executive Director (to the extent of loan outstanding at the year end)	36,958.74 (36,600.86)	58,487.05 (55,841.96)	Nil (Nil)
(j)	Company has Mortgaged its Land and proposed additions to the Hotel Building at Bhubaneshwar in favour of a Bank on behalf of a Joint Venture Company.	799.68 (440.75)	Nil (Nil)	Nil (Nil)

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

** Figures in brackets are for previous year.

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

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

Name of Related Party	₹ In Lakhs	
	YEAR ENDED	
	31ST MARCH 2013	31ST MARCH 2012
Specified Companies:		
Plaza Hotels Private Limited		
- Fees paid towards hotel property under Business Contract Agreement	74.90	73.01
- Deposit paid Under Business Contract Agreement for hotels	8,000.00	8,000.00
- Amounts Payable	20.79	2.50
- Corporate Guarantee provided by the above for securing loans taken by the Company	31,989.90	31,440.86
- Share Application money credited for issue of Shares on merger	Nil	31.96
- Undertaking given towards repayment of Loan	1,412.30	1,412.30
Kamats Holiday Resorts (Silvassa) Limited		
- Corporate Guarantee provided by the above for securing loans taken by the Group	4,968.85	5,160.00
- Mortgage Created on immovable property to secure the borrowings of the Company.	46.88	96.05
Kamats Amusements Private Limited		
- Share Application money credited for issue of Shares on merger	20.51	20.51
Talent Hotels Private Limited		
- Undertaking given towards repayment of Loan	2,231.51	2,231.51
Karwar Hotels Private Limited		
- Loan taken- transferred due to amalgamation	Nil	33.68
- Loan Repaid	33.68	Nil
- Amounts payable	Nil	33.68
- Undertaking given towards repayment of Loan	275.81	275.81
Busybee Developers Private Limited		
- Undertaking given towards repayment of Loan	567.83	567.83
Grasshoppers Developers Private Limited		
- Undertaking given towards repayment of Loan	156.35	156.35
Nagpur Ecohotel Private Limited.		
- Share Application money received pending allotment	1,350.00	Nil
Vits Hotels (Bhubaneshwar) Private Limited.		
- Share Application money received pending allotment	550.00	Nil
Key Management Personnel and Management:		
Dr. Vithal V. Kamat		
- Remuneration	105.58	90.00
- Royalty paid for brand	29.72	18.79
- Amounts Payable	3.82	19.68
- Share Application money credited for issue of Shares on merger	218.66	218.66
- Personal Guarantee provided by him for securing loans taken by the Group	45,919.69	61,259.80
Vishal V. Kamat		
- Remuneration	4.21	Nil
- Personal Guarantee provided by him for securing loan taken by the Group	1,333.42	988.16
- Share Application money credited for issue of Shares on merger	0.03	0.03

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

		₹ In Lakhs	
Name of Related Party		YEAR ENDED	
		31ST MARCH 2013	31ST MARCH 2013
Vikram V. Kamat			
- Remuneration		32.76	25.80
- Personal Guarantee provided by him for securing loan taken by the Group		11,233.94	26,559.20
Ramesh N. Shanbhag			
- Remuneration		39.81	33.00
Other Related Parties:			
Vithal V. Kamat-HUF			
- Gross Sale of services including Management & Consultancy Fees		6.59	5.31
- Share Application money credited for issue of Shares on merger		1.10	1.10
- Unsecured loan taken during the year- Transfer from Merger company		45.58	45.58
- Deposit paid includes Under Business Contract Agreement		25.00	25.00
- Amount Payable		Nil	43.24
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:			
Payable within one year -		320.26	363.60
Payable later than one year but not later than five years -		1,260.53	1,439.51
Payable after five years -		13,417.01	15,517.55
The Company also has given shops and other spaces on Leave and Licence basis in respect of which future minimum licence fees receipts expected:			
Receivable within one year -		175.79	72.38
Receivable later than one year but not later than five years-		133.42	37.98
Receivable after five years -		26.00	Nil
35	Figures of the previous year have been regrouped / reclassified wherever necessary to conform to the Current year's presentation.		
36	The Proportionate share of Assets, Liabilities, Income and expenditure in the Jointly Controlled Entity included in these consolidated Financial Statements are given below:		
Name of the Jointly Controlled Entity : Ilex Developers & Resorts Limited			
Percentage of Interest : 32.92%			
ASSETS			
Fixed Assets (Net Block)		946.72	964.14
Deferred Tax Assets (Net)		50.44	30.49
Long Term Loans and Advances		255.37	249.77
Other Non-Current Assets		0.05	0.27
Current Assets		27.48	78.88
LIABILITIES			
Reserves and Surplus		380.99	425.97
Long Term Borrowings		681.29	677.70
Long Term Provisions		4.12	2.14
Current Liabilities		187.01	191.09
Turnover		209.66	149.04
Profit/(loss) before Taxation		(64.94)	(74.74)
Deferred Tax Asset		19.96	21.74
Profit/(loss) after Taxation		(44.98)	(53.00)
Proposed Dividend		Nil	Nil

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

37 STATEMENT PURSUANT TO SECTION 212(8) OF THE COMPANIES ACT, 1956, RELATING TO SUBSIDIARY COMPANY.

₹ In Lakhs

		YEAR ENDED	
		31ST MARCH 2013	31ST MARCH 2012
a) Orchid Hotels Pune Private Limited			
ASSETS			
Fixed Assets (Net Block)		44,240.10	38,127.12
Deferred Tax Assets (Net)		1,914.36	977.39
Long Term Loans and Advances		128.74	78.33
Current Assets		742.65	446.97
LIABILITIES			
Capital		1,176.47	1,176.47
Reserves and Surplus		1,635.92	3,764.79
Long Term Borrowings		38,154.12	29,578.72
Long Term Provisions		14.44	17.17
Current Liabilities		6,044.90	5,092.66
Turnover		2,897.21	1,572.41
Profit/(loss) before Taxation		(3,065.83)	(1,689.07)
Deferred Tax Asset		936.97	534.17
Profit/(loss) after Taxation		(2,128.86)	(1,154.90)
Proposed Dividend		Nil	Nil
b) Kamats Restaurants (India) Private Limited			
ASSETS			
Other Non-Current Assets		0.15	0.17
Current Assets		1.00	1.01
LIABILITIES			
Capital		1.00	1.00
Reserves and Surplus		(0.14)	(0.05)
Other Long Term Liabilities		0.25	0.20
Current Liabilities		0.03	0.03
Turnover		Nil	Nil
Profit/(loss) before Taxation		(0.09)	(0.05)
Deferred Tax Asset		Nil	Nil
Profit/(loss) after Taxation		(0.09)	(0.05)
Proposed Dividend		Nil	Nil

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

₹ In Lakhs

		YEAR ENDED	
		31ST MARCH 2013	31ST MARCH 2012
c)	Fort Mahodadhinivas Palace Private Limited		
	ASSETS		
	Fixed Assets (Net Block)	2,000.59	8.33
	Other Non-Current Assets	0.14	0.17
	Current Assets	8.82	1.02
	LIABILITIES		
	Capital	1.00	1.00
	Reserves and Surplus	(0.50)	(0.15)
	Other Long Term Liabilities	2,009.02	8.64
	Current Liabilities	0.03	0.03
	Turnover	Nil	Nil
	Profit/(loss) before Taxation	(0.35)	(0.10)
	Deferred Tax Asset	Nil	Nil
	Profit/(loss) after Taxation	(0.35)	(0.10)
	Proposed Dividend	Nil	Nil
d)	Fort Jadhavgadhd Hotels Private Limited		
	ASSETS		
	Other Non-Current Assets	0.12	0.06
	Current Assets	1.07	1.01
	LIABILITIES		
	Capital	1.00	1.00
	Reserves and Surplus	(0.17)	(0.05)
	Long Term Borrowings	0.30	Nil
	Current Liabilities	0.06	0.12
	Turnover	Nil	Nil
	Profit/(loss) before Taxation	(0.12)	(0.05)
	Deferred Tax Asset	Nil	Nil
	Profit/(loss) after Taxation	(0.12)	(0.05)
	Proposed Dividend	Nil	Nil

NOTES TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

₹ In Lakhs

e) Green Dot Restaurants Private Limited

ASSETS

Other Non-Current Assets

Current Assets

LIABILITIES

Capital

Reserves and Surplus

Long Term Provisions

Current Liabilities

Turnover

Profit/(loss) before Taxation

Current Tax

Profit/(loss) after Taxation

Proposed Dividend

YEAR ENDED

31ST MARCH 2013	31ST MARCH 2012
0.06	Nil
26.47	Nil
1.00	Nil
19.08	Nil
4.00	Nil
2.46	Nil
33.40	Nil
28.08	Nil
9.00	Nil
19.08	Nil
Nil	Nil

For and on behalf of Board of Directors

Dr. Vithal V. Kamat

Executive Chairman & Managing Director

Ramesh N. Shanbhag

Wholetime Director

Vikram V. Kamat

Executive Director

Kurian Chandy

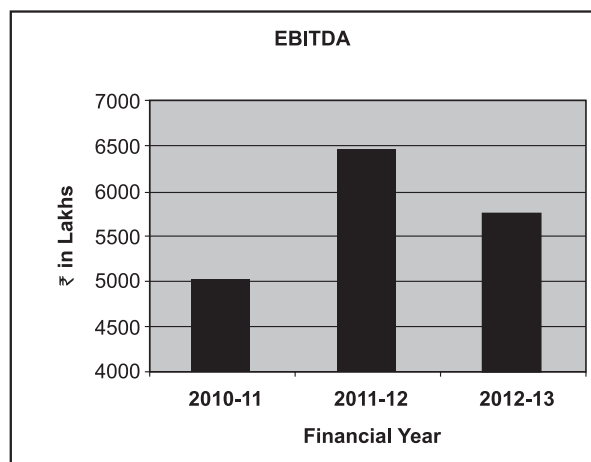
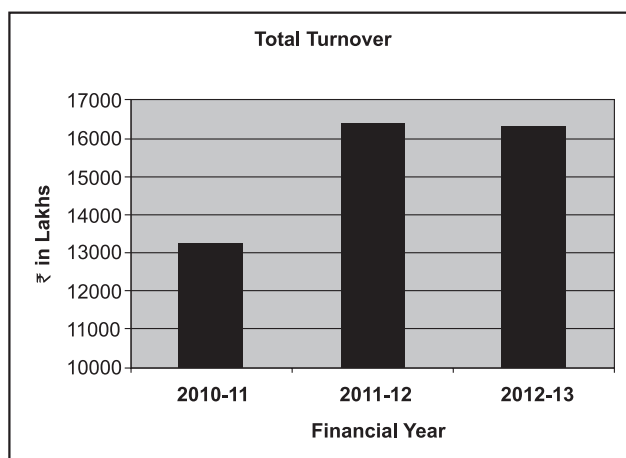
Chief Financial Officer

Mahesh Kandoi

Company Secretary

Mumbai: 25th May, 2013

PERFORMANCE BAR CHARTS (STANDALONE)



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KAMAT HOTELS (INDIA) LIMITED
Registered Office: KHIL House, 70-C, Nehru Road,
Near Santacruz Airport, Vile Parle (East), Mumbai - 400 099

ATTENDANCE SLIP

DP Id**		Master Folio No.	
Client Id**		No. of Share(s) held	

I hereby record my presence at the Twenty-Sixth Annual General Meeting of the Company at "Shubham Hall", Landmark Bldg., Opposite Vile Parle Railway Station, Junction of Besant Road and V. P. Road, Vile Parle (West), Mumbai – 400 056 on Saturday, the 21st September, 2013 at 3.30 p.m.

NAME OF SHAREHOLDER/PROXY*

SIGNATURE OF SHAREHOLDER/PROXY*

* Strike out whichever is not applicable

** Applicable for investors holding shares in electronic form

Note : Shareholder / Proxy holder wishing to attend the Meeting must bring the Attendance Slip to the Meeting and hand it over at the entrance of the Meeting venue duly signed.



KAMAT HOTELS (INDIA) LIMITED
Registered Office: KHIL House, 70-C, Nehru Road,
Near Santacruz Airport, Vile Parle (East), Mumbai - 400 099

PROXY FORM

DP Id**		Master Folio No.	
Client Id**		No. of Share(s) held	

I / Weof..... being
a Member/Members of the above named Company hereby appoint..... of
.....or failing him/her.....of
.....or failing him/her.....
ofas my / our proxy to attend and vote for me / us on my / our behalf at the
Twenty-Sixth Annual General Meeting of the Company to be held at "Shubham Hall", Landmark Bldg., Opposite Vile
Parle Railway Station, Junction of Besant Road and V. P. Road, Vile Parle (West), Mumbai – 400 056 on Saturday,
the 21st September, 2013 at 3.30 p.m. and at any adjournment thereof.

Signed this **day of****2013**

Please affix
Re. 1 Revenue
Stamp here

Signature

**** Applicable for investors holding shares in electronic form.**

Note: The proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the Commencement of the Meeting.



MUMBAI, MAHARASHTRA



NASHIK, MAHARASHTRA



AURANGABAD, MAHARASHTRA



PUNE, MAHARASHTRA



BHUBANESWAR, ORISSA



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A Gadhi Heritage Hotel
Ladh, Jhagadh, Aage Badh...
PUNE, MAHARASHTRA



Fort
Mahodadhi
A Gadhi Heritage Hotel
PURI, ORISSA