KAMAT HOTELS (INDIA) LIMITED

22nd Annual Report 2008-09

THE ORCHID — FIVE STAR ECOTEL HOTEL — FRIENDLY NON-FRIENDLY

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

LOTUS RESORTS — Chill. Still. Tranquil.

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

THE ORCHID®
— FIVE STAR ECOTEL HOTEL —
FRIENDLY, ECO-FRIENDLY

THE ORCHID is Asia's first certified Ecotel Five Star Hotel – HVS INTERNATIONAL
ISO14001 – 63 International & National Awards with 245 rooms.

MEETING ROOMS/BANQUET HALLS

Banquet Hall	Dimensions	Ht	Area sqft	U shape	Classroom	Theatre	Boardroom
Chamber I/II/III	30' x 26'	11 ft	780	28 + 5HT	30 + 5HT	50 +5HT	28 + 5HT
Chamber I & II	30' x 52'	11 ft	1560	42 + 10HT	54 + 10HT	120 + 10HT	42 + 10HT
Chamber I,II&III	30' x 78'	11 ft	2340	72 + 10HT	90 + 10HT	240 + 10HT	72 + 10HT
Senate I or II	13' x 25'		327	15	18		25
Senate III	14' x 23'		330	18	18		25
Amber	5.8 m x 3.4 m	2.2 m	212.20				10
Opal	5.2 m x 3.6 m	2.2 m	197.50				8
Jade	5.85 m x 3.35 m	2.2 m	202.90				8
Cascades			2500				

FOOD & BEVERAGES OUTLETS

Boulevard	Concept Personality Coffee shop Cuisine	Speed (10 min Lightning Menu) Energetic 24 hrs. Indian, Continental, Chinese, Mexican
South of Vindhyas	Concept Personality Timings Cuisine	South Indian Cuisine Cultural & Traditional 12.30 to 3.00 & 7.30 to 12 midnight South Indian – 4 states
Mostly Grills	Concept Personality Timings Cuisine	Contemporary Barbeque Designer Cuisine Stylish, Romantic & Relaxed 7 p.m. to 11.30 p.m. Barbeque/Grill - Continental / Indian
Merlin's Bar	Concept Personality Timings	Magical Vibrant 4 p.m. to 3 a.m.
Gourmet Shop	Concept Personality Timings	Quick Bites Young & Effervescent 11 a.m. to 8 p.m.

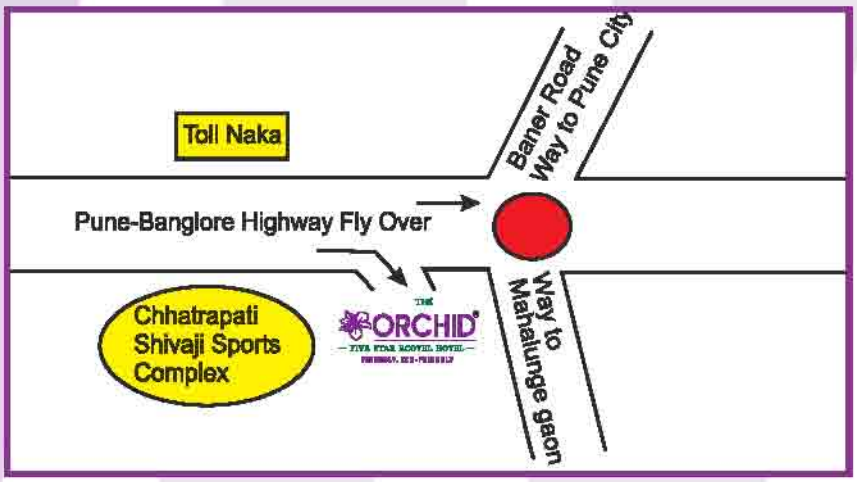
Distance from:
Domestic Airport Mumbai: 1 km
International Airport Mumbai: 7 kms
Railway Station Vile Parle: 1 km

Reservations:
The Orchid, 70C, Nehru Road,
Adjacent to Domestic Airport,
Vile Parle (East), Mumbai- 400099.
Tel No.: +91-22-26164040
Fax: +91-22-26164141
Toll Free No:- 1800 22 5432
Website: www.orchidhotel.com

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

3D Architectural view Orchid Pune (Maharashtra)

Opening shortly



Distance from:
Domestic Airport Pune: 21 kms
Railway Station Pune: 18 kms

Reservations:
Adjacent to Shiv chatrapati Shivaji Sports complex,
Pune Banglore highway, Balewadi, Pune 411045.
Tel: +91-20-6001 7555.
Email: resvpune@vitshotels.com
Corporate office:
The Orchid, 70C, Nehru Road,
Adjacent to Domestic Airport,
Vile Parle (East), Mumbai- 400099.
Tel No.: +91-22-26164040
Fax: +91-22-26164141
Toll Free No:- 1800 22 5432
Website: www.orchidhotel.com
(A division of subsidiary Company)

THE ORCHID®
— FIVE STAR ECOTEL HOTEL —
FRIENDLY, ECO-FRIENDLY

Opening shortly
Orchid - Puri, (Orissa)

Corporate office:
The Orchid, 70C, Nehru Road,
Adjacent to Domestic Airport,
Vile Parle (East), Mumbai- 400099.
Tel No.: +91-22-26164040
Fax: +91-22-26164141
Toll Free No:- 1800 22 5432
Website: www.orchidhotel.com

The fort Jadhavgadh, a Gadh Heritage Hotel, with 52 rooms lies in the heart of the Jadhav Wadi - a 25 acre land to the East of Pune, 45 minutes from the Pune Railway Station & Pune Airport.

Visually captivating locations around this hotel- Dive Ghat, Purandar Fort, Narayanpur, Balaji Temple, Purandar Wada, Sangameshwar Temple & Malhargad Fort, Jejuri, Pandharpur- makes the visit worthwhile.

Exquisite choice of Banquets that can be tuned to any business meeting/occasions.

Lawns:

Endless landscaped lawns merging with the hills are the most preferred choice for evening functions. It also houses the 300 year old Ganesh Temple, Ideal setting for wedding ceremony.

"Aai-The Museum":

The museum called "Aai - Mother" - is a museum of the historic, endangered and one man collection of everyday life. It comprises of artifacts collected by Mr. Kamal over the last four decades.

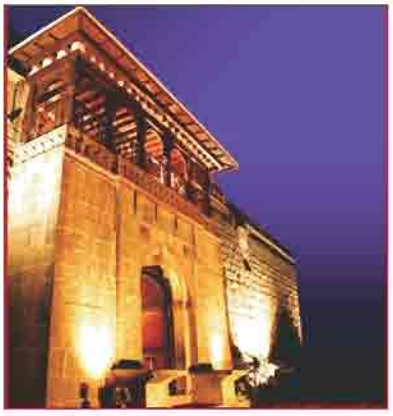
FOOD & BEVERAGES OUTLETS

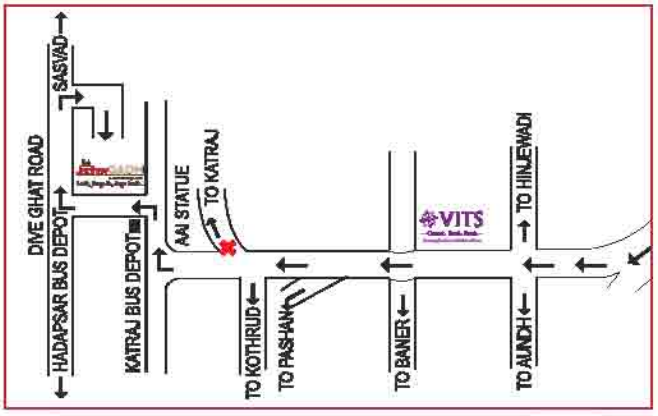
chhajja The coffee shop

Multi-cuisine restaurant open for 24-hours

Payatha Ethnic Foothill Restaurant

Specialty Maharashtrian Restaurant opens for Dinner 1930-2300 Hours





Reservations:
Fort Jadhavgadh, Jadhav Wadi,
Dist. Pune- 412301.
Tel No.: +91-2115-238475/305200
Fax: +91-2115-238482.
Website: www. fortjadhavgadh.com

Corporate office:
The Orchid, 70C, Nehru Road,
Adjacent to Domestic Airport,
Vile Parle (East), Mumbai-400099.
Tel No.: +91-22-26164040
Toll Free No:- 1800 209 7555.
Fax: +91-22-26164141
Website: www.orchidhotel.com

VITS
Guest. Rest. Best.
Luxury Business Hotel - Mumbai

VITS Mumbai offers you 190 finely appointed rooms to give you the up market hospitality experience. It's ideally located in the cities commercial hub and business district of MIDC, SEEPZ, Powai & Hiranandani. It is in close proximity to both international airport (1KM) & domestic airport (4KM). You will always feel the warmth and friendliness you've been looking for in a fully serviced hotel. With VITS Mumbai, you are not only a guest; you are part of a family.

VITS offers you the finest venues, facilities and services for all your special events. An ideal option for the business traveler and ensuring the success of any event. All our venues are equipped with latest technological support and perfect lighting. State of the art Business center to add to the impact.

FOOD & BEVERAGES OUTLETS

Pool Side — Set in a relaxing atmosphere, daily sumptuous buffet selection. With live cooking stations and delicious A la Carte cuisine

Coffee Shop — 24x 7 multi cuisine. Serving authentic delicacies from the kitchens of the Orient, Thai, French & Indian. Distinctive personality of VITS; Young, Quick and Trendy.

BEHIND BARS — Perfect place to unwind after a hard day's work or unwind yourself on the dance floor enjoying the foot tapping music of the in house DJ at the DEN.

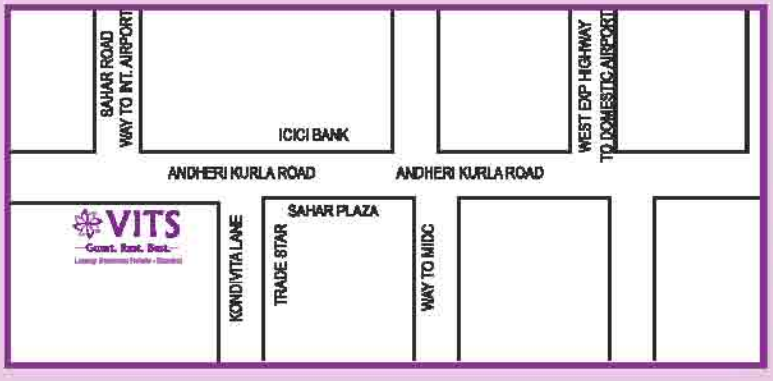
Sweet Somethings THE CAKE SHOP — Gourmet pastry shop to pamper your sweet tooth.

LEISURE FACILITIES

wellness CLUB — Range of fitness Solutions from experienced professionals

sanshā — Best of Ayurvedic therapies to relax and rejuvenate you from the crown to the toes.

BELLEZZA — Unisex saloon waiting to pamper you.



Distance from:
Domestic Airport Mumbai: 4 kms
International Airport Mumbai: 1 kms

Corporate office:
International Airport Zone,
Andheri Kurla Road, Andheri East,
Mumbai-400059.
Tel No.: +91-22 – 60017555 / 28270707
Fax: +91-22 – 28270345
Toll Free No: - 1800 209 7555.
Email: salesmumbai@vitshotels.com
Web: www.vitshotels.com

VITS

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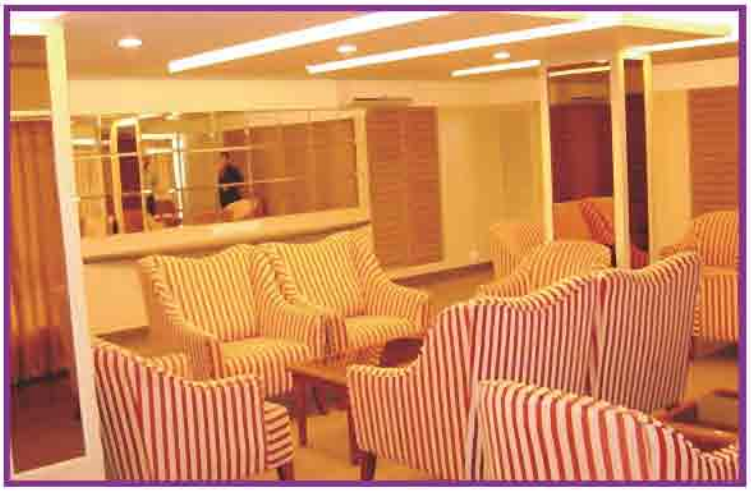
Luxury Business Hotel - Nagpur



VITS Nagpur – A 52 room hotel is an impressive local landmark & tall six-story palatial structure. Centrally located in the city center just 2Km from railway station and 6Km from domestic airport. Wide selections of top class dining options are on offer to the guests as well as state-of-the-art business center facilities.

At VITS NAGPUR you have at your disposal exclusive meeting & banqueting venues. Terrace garden for your social events & state of the art conferencing/ meeting venues for your business needs. Can customize to your individual needs.

FOOD & BEVERAGES OUTLETS

Coffee Shop

24 x 7 Multi Cuisine, distinctive personality of VITS; Young, Quick & Trendy.

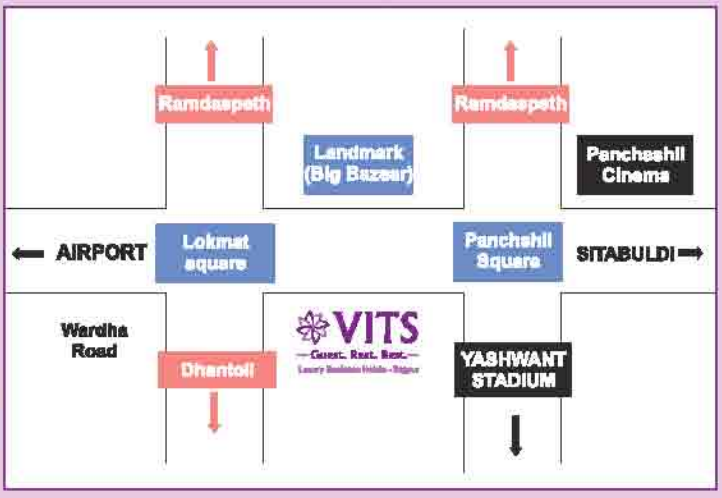
Rooftop

Semi open Air Terrace serving multi cuisine. Open air barbeque will be a pleasurable option.

LEISURE FACILITIES

wellness CLUB

Well equipped fitness center with steam, massage and Jacuzzi to pamper yourself.



Distance from:
Domestic Airport Nagpur: 6 kms
Railway Station Nagpur: 2 kms

Reservations:
7 Dhantoli, Wardha Road,
Nagpur 440012. Maharashtra.
Tel No: +91-712 - 2452891-4 / 6001 7555
Email: resvpure@vitshotels.com

Corporate office:
International Airport Zone,
Andheri East, Mumbai-400059.
Tel No.: +91-22 – 60017555 / 28270707
Toll Free No: - 1800 209 7555.
Fax: +91-22– 28270345
Email: salesmumbai@vitshotels.com
Web: www.vitshotels.com

VITS

— Guest. Rest. Best. —

Luxury Business Hotel - Aurangabad

VITS Aurangabad a landmark of unparalleled luxury & superior style brings to you a memorable experience in this historic city. VITS Aurangabad is centrally located near the railway station (1/2km) & Airport (9 Km).

92 LUXURIOUS & COMFORTABLE ROOMS to cherish.

Ideal option for the business traveler and ensuring the success of any business event, our business savvy spaces ensure that. Offering a range of Banquet Halls from ONYX, SAPPHIRE, TOPAZ, CORAL & CRYSTAL varying in their area to suit almost any and every occasion.

FOOD & BEVERAGES OUTLETS

Coffee Shop

The coffee shop offers a wide variety of cuisine to please your palate

Snax

You will find "Snax" to be the perfect place to take care of your hunger pangs in between meals.

HERBS & SPICES

At "Herbs & Spices" you will find a tantalizing international vegetarian spread, ensuring the taste buds are well looked after.

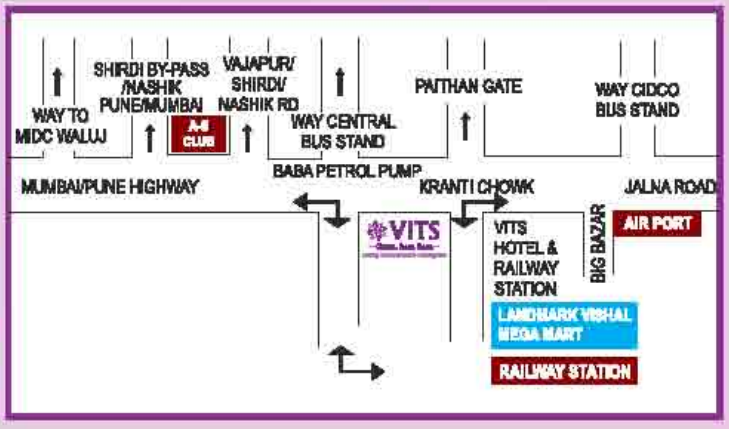
BEHIND BARS

"Behind Bars" is the perfect ambience to lounge over and unwind after sunset.

LEISURE FACILITIES

wellness club

The "Wellness Club" boasts of a range of the latest fitness equipment to keep you in shape. Alternatively rejuvenate those tired muscles in our steam section.



Distance from:
Domestic Airport Aurangabad: 9 kms
Railway Station Aurangabad: 1/2 kms

Reservations:
Railway Station road, Aurangabad – 5 (M.S)
Tel No.: +91-240-2350701-4 / 6001 7555
Email: resvaurangabad@vitshotels.com

Corporate office:
International Airport Zone,
Andheri Kurla Road,
Andheri East, Mumbai-400059.
Tel No.: +91-22 – 60017555 / 28270707
Toll Free No: - 1800 209 7555.
Fax: +91-22– 28270345
Email: salesmumbai@vitshotels.com
Web: www.vitshotels.com

Owned by Vedant Hotels Ltd.

VITS
— Guest. Rest. Best. —
Luxury Business Hotel - Pune

3D Architectural view VITS Pune (Maharashtra)

VITS PUNE - A winning combination of contemporary luxury accommodation and service. We extend to everyone a warm welcome at VITS Pune.

The hotel is located 21Km from Pune domestic airport, 18 Km from the railway station and Pune's rapidly developing commercial areas namely Hinjewadi, Baner, Pimpri and chinchwad.

Relax and enjoy your stay with us.

Well-designed and spacious Banqueting facilities to meet every expectation.

Ideal venue to host a Business event or group functions.

Whatever the occasion, VITS Pune will deliver meticulous service, attention to detail, expert support and outstanding cuisine, making every event that much more memorable.

FOOD & BEVERAGES OUTLETS

Coffee Shop

24 x 7 Multi Cuisine, distinctive personality of VITS; Young, Quick & Trendy.

Rooftop

Specializing in Barbeques and Grills.

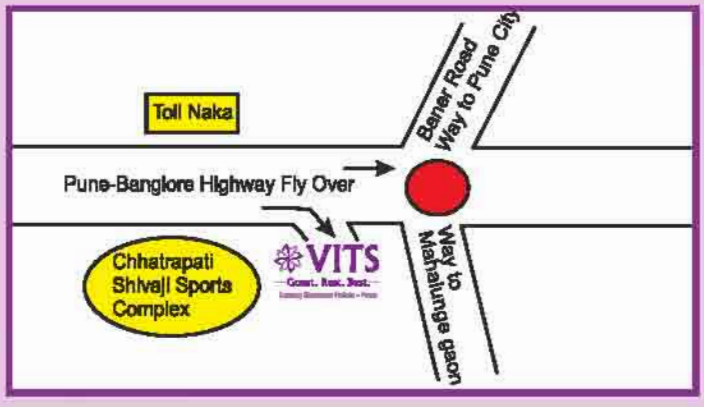
Sports bar

A very trendy outlet with various indoor games. A wide range of beverage options to keep you going.

LEISURE FACILITIES

wellness CLUB

Well equipped fitness center with steam, massage and Jacuzzi to pamper yourself.



Distance from:
Domestic Airport Pune: 21 kms
Railway Station Pune: 18 kms

Reservations:
Adjacent to Shiv chatrapati Shivaji Sports complex, Pune Banglore highway, Balewadi, Pune 411045.
Tel: +91-20-6001 7555.
Email: resvpune@vitshotels.com

Corporate office:
International Airport Zone, Andheri Kurla Road, Andheri East, Mumbai-400059.
Tel No.: +91-22 – 60017555 / 28270707
Toll Free No: - 1800 209 7555.
Fax: +91-22 – 28270345
Email: salesmumbai@vitshotels.com
Web: www.vitshotels.com
(A division of subsidiary Company)

Bhubaneswar

VITS
Guest. Rest. Best.
Luxury Business Hotel - Bhubaneswar

Step into a world where business & pleasure combine to pamper you. At VITS Bhubaneswar you have at your disposal superiorly designed facilities, an in-house state of the art business center and consistent quality of services.
So relax and enjoy your stay with us.

VITS Bhubaneswar has two banqueting venues with all modern amenities and facilities. The well-designed and spacious banqueting facilities are there to meet every expectation.

FOOD & BEVERAGES OUTLETS

Coffee Shop

24 x 7 multicuisine. Distinctive personality of VITS; Young, quick & trendy.

BEHIND BARS

A very trendy outlet offering wide range of beverage options to keep you going.

LEISURE FACILITIES

wellness CLUB

Well-equipped fitness center with steam & massage to pamper yourself.

Corporate office
International Airport Zone,
Andheri Kurla Road, Andheri East,
Mumbai-400059.
Tel: +91-22 – 6001 7555 / 28270707
Fax: +91-22- 28270345
Toll Free No: - 1800 209 7555.

KAMAT HOTELS (INDIA) LIMITED

KAMAT HOTELS (INDIA) LIMITED
BOARD OF DIRECTORS

Mr. Vithal Venketesh Kamat
Executive Chairman & Managing Director

Mr. Ramesh N. Shanbhag
Whole-Time Director

Mr. Vishal V. Kamat
Executive Director

Mr. Vikram V. Kamat
Executive Director (w.e.f. 1st October, 2008)

Mr. S. S. Thakur
Director

Mr. Pravin N. Ghatalia
Director

Mr. Ved Prakash Khurana
Director

Mrs. Rajyalakshmi Rao
Director

Mr. T. M. Mohan Nambiar
Director

AUDITORS

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

COMPANY SECRETARY
Mr. Mahesh Kandoi

BANKERS
Canara Bank
Andhra Bank
EXIM Bank
Axis Bank
Oriental Bank of Commerce
Kotak Mahindra Bank

REGISTERED OFFICE
70-C, Nehru Road,
Near Santacruz Airport,
Vile Parle (E), Mumbai - 400 099
Tel No. 2616 4000 Fax No. 2616 4201

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-Second Annual General Meeting of the members of Kamat Hotels (India) Limited will be held at "Shubham Hall", Landmark Bldg., Opp. Vile Parle Railway Station, Junction of Besant Road and V. P. Road, Vile Parle (West), Mumbai – 400 056 on Saturday the 26th September, 2009 at 3.00 p.m. to transact the following business:

ORDINARY BUSINESS:

1) To receive, consider and adopt the Audited Profit and Loss Account for the year ended on 31st March, 2009 and the Balance Sheet as at that date together with the Reports of the Board of Directors and Auditors thereon.
2) To declare dividend on Equity Shares.
3) To appoint a Director in place of Mr. Ved Prakash Khurana, who retires by rotation and being eligible offers himself for reappointment.
4) To appoint a Director in place of Mr. Ramesh N. Shanbhag, who retires by rotation and being eligible offers himself for reappointment.
5) To appoint a Director in place of Mr. Vishal V. Kamat, who retires by rotation and being eligible offers himself for reappointment.
6) To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS:

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. Vikram V. Kamat be and is hereby appointed as Executive Director of the Company for a period of 3 years from 1st October, 2008 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. Vikram 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 Mr. Vikram V. Kamat as Executive Director, 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 Section 198 and 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 ("the Act") including any statutory modification(s) or re-enactment thereof and subject to all permissions, sanctions and approvals as may be necessary, approval be and is hereby accorded to the payment of commission to each whole-time Director (other than the Executive Chairman and Managing Director) of the Company annually up to a ceiling of 0.5% of the net profit of the Company computed in the manner specified in the Act, for a period of 5 years commencing from the financial year 1st April, 2009 in such manner and up to such extent as the Board of Directors and/or Remuneration Committee constituted by the Board of Directors may determine from time to time and that the commission payable to the Whole - time Directors shall be in addition to the existing remuneration payable to them pursuant to the resolutions passed by the shareholders in this regard and as determined by the Board of Directors and or Remuneration Committee from time to time.

   RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors and/or Remuneration Committee of the Board of Directors be and are hereby authorized to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard."

By order of the Board of Directors

FOR KAMAT HOTELS (INDIA) LIMITED

Mahesh Kandoi
Company Secretary

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

Place : Mumbai.

Date: 25th July, 2009

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 hereto.
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 – 400 078 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, 15th September, 2009 to Saturday, 26th September, 2009 (both days inclusive) for the purpose of Annual General meeting and payment of dividend.
7. The dividend on equity shares, declared as recommended by the Board of Directors of the Company for the financial year ended on 31st March, 2009 will be paid within the prescribed time limit to those Members whose names appear on the Register of Members of the Company at the close of business on 14th September, 2009 or to their order.
8. Members may please note that dividend warrants are payable at par at the designated branches of the bank printed overleaf of the dividend warrant for an initial period of 3 months only. Thereafter, the dividend warrants on revalidation will be payable only at limited centers/ branches. The members are, therefore, advised to encash dividend warrants within the initial validity period.
9. Members are requested to inform their bank account numbers, name of the Bank and address of the Branch to the Company to enable it to print the same on the dividend warrants to protect them against fraudulent encashment of dividend warrants. Such information should be given to the Company's Registered Office immediately.
10. 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 in respect of the Financial Year ended on 31st March 2002 shall be transferred to the Investor Education and Protection Fund (IEPF) by 2nd December, 2009. The Members who have not encashed their dividend warrants so far for the financial year ended on 31st March, 2002 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, 2002 is transferred to the IEPF by 2nd December, 2009, as above, no claim shall lie against the Company or IEPF in respect thereof.**

    The dividend for the year 2000-2001 which remained unclaimed for a period of 7 years from the date of declaration has already been transferred to the IEPF on 8th December, 2008.
11. Appointment /Re-appointment of Directors:

    Mr. Ved Prakash Khurana, Mr. Ramesh N. Shanbhag and Mr. Vishal V. Kamat retire by rotation and being eligible offer themselves for re-appointment at the ensuing Annual General Meeting. The details pertaining to these Directors as required under Clause 49 (IV) (G) of the Listing Agreements signed by the Company with the Stock Exchanges are furnished in Annexure II to the Notice.
12. 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.
13. The members are requested to handover the enclosed attendance slip duly signed as per their specimen signature(s) registered with the Company for admission to the meeting hall.

ANNEXURE I TO THE NOTICE
EXPLANATORY STATEMENT UNDER SECTION 173 OF THE COMPANIES ACT, 1956.

Item No. 7

Mr. Vikram V. Kamat is a Science graduate (BSc) with specialisation in Hotel Management from the Institute of Hotel Management, Catering Technology and Applied Nutrition (IHMCTAN), Mumbai. He has considerable potential in managing the operations of the Company and has been closely associated with the operations of the Company.

The Board of Directors in its meeting held on 30th August, 2008, considering the time and efforts devoted by Mr. Vikram V. Kamat appointed him as Executive Director for a period of 3 years from 1st October, 2008, on the following terms and conditions, subject to the approval of members in general meeting:

- Remuneration of Rs.1,20,000 per month (basic salary and allowances) as detailed below will be paid for a period of one year with effect from 1st October, 2008.

Particulars	Amount Rs.
1. Salary and Allowances:	
Basic Salary	1,00,000
City Compensatory Allowance	11,000
Total of 1	**1,11,000**
2. Other allowances	
House Keeping	5,000
News Papers and periodicals	2,000
Entertainment Allowance	2,000
Total of 2	**9,000**
Total of 1 & 2	**1,20,000**

- The remuneration payable to Mr. Vikram V. Kamat during the remaining period of his term as Executive Director i.e. from 1st October, 2009 to 30th September, 2011, will be determined by the Board on the recommendation of the Remuneration Committee subject to the maximum monetary limit of Rs. 2,20,000/- 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 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 Rs. 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. Vikram V. Kamat.
- 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. Vikram V. Kamat 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 the Executive Director, Mr. Vikram V. Kamat shall, subject to the supervision and control of the Board of Directors and/or Executive Chairman and Managing Director, manage the business and affairs of the Company.
- Mr. Vikram V. Kamat will not be paid any fee for attending the meetings of the Board or any committee thereof.
- Mr. Vikram V. Kamat 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. In any event, the appointee will not be entitled to any compensation in cases mentioned in Section 318(3) of the Companies Act, 1956.
- 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 not exceeding the ceiling laid down in Section ll of Part ll of Schedule Xlll to the Companies Act, 1956 and as may be decided by the Board of Directors of the Company.

The Directors recommend the passing of the resolution set out in item 7 of the accompanying Notice.

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

Item No. 8.

Presently, the company has four Whole-time Directors, including the Executive Chairman and Managing Director. The members had approved payment of commission to the Executive Chairman and Managing Director annually upto 1% of the net profit of the company in the Annual General Meeting held on 30th August, 2008. Considering the valuable contribution of the other Whole-time Directors also in the progress and growth of the company, the Board has recommended to pay each of them annual commission upto a ceiling of 0.5% of the net profit of the company computed in the manner specified in the Act. Accordingly, the Directors recommend passing of the resolution set out in item 8 of the accompanying Notice.

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

By order of the Board of Directors

FOR KAMAT HOTELS (INDIA) LIMITED

Place: Mumbai
Date: 25th July, 2009

Mahesh Kandoi
Company Secretary

ANNEXURE II TO THE NOTICE

As required under Clause 49(IV) (G) of the Listing Agreements, brief profile of the Directors seeking appointment/ reappointment, 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 32 years of experience in the areas of banking and finance.

Directorships held in other Companies.	Bank of Rajasthan 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) Ltd.	1,500 shares

2. Name : **Mr. Ramesh N. Shanbhag**

   Mr. Ramesh N. Shanbhag is a graduate of commerce and has been associated with the Kamat Group for past 34 years. He has wide experience in the hotel industry.

   Directorships held in other companies - 1. Greenzone Agrotech Pvt. Ltd. 2. Himco Financial Management Pvt. Ltd. 3. Indira Investments Pvt. Ltd. 4. Kamat Concept Hospitality Pvt. Ltd. 5. Kamat Holdings Pvt. Ltd. 6. Kamats Holiday Resorts (Silvassa) Pvt. Ltd. 7. Kamat Holiday Resorts Pvt. Ltd. 8. Kamat Orissa Hotels Pvt. Ltd. 9. Kamats Amusements Pvt. Ltd. 10. Kamats Club Pvt. Ltd. 11. Kamats Development Pvt. Ltd. 12. Kamats Eateries Pvt. Ltd. 13. Kamats Restaurants Pvt. Ltd.14. Kamats Super Snacks Pvt. Ltd. 15. Kamburger Foods Pvt. Ltd. 16. Kamfotel Resorts Pvt. Ltd.17. Kanisha Hotels Pvt. Ltd. 18. Karaoke Amusements Pvt. Ltd. 19. Karveer Hospitality Pvt. Ltd. 20. Karwar Hotels Pvt Ltd. 21. Plaza Hotels Pvt. Ltd. 22. Sputnik Agro & Resorts Pvt. Ltd.23. Swastik Amusements & Hotels Pvt. Ltd. 24. Treeo Resort Pvt. Ltd. 25. Venketesh Hotels Pvt. Ltd. 26. 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) Ltd.	2,351 shares

3. Name: **Mr. Vishal V. Kamat**

   Mr. Vishal V. Kamat is a Science graduate (BSc) with specialisation in Hotel Management from the Institute of Hotel Management, Catering Technology and Applied Nutrition (IHMCTAN), Mumbai. He has extensive experience in Hotel Industry and has been closely associated with the operations of the Company.

   Directorship held in other Companies - 1. Gadh Heritage Hotels Pvt. Ltd. 2. Gulbarga Hospitality Pvt. Ltd. 3. Himco Financial Management Pvt. Ltd. 4. Indira Investments Pvt. Ltd. 5. Innovators Resorts Pvt. Ltd. 6. Kamat Concept Hospitality Pvt. Ltd. 7. Kamat Holdings Pvt. Ltd. 8. Kamat Holiday Resorts Pvt. Ltd. 9. Kamats Amusements Pvt. Ltd.10. Kamats Club Pvt. Ltd. 11. Kamats Development Pvt. Ltd. 12. Kamats Eateries Pvt. Ltd. 13. Kamats Holiday Resorts (Silvassa) Pvt. Ltd. 14. Kamats Restaurants Pvt. Ltd. 15. Kamats Super Snacks Pvt. Ltd. 16. Kamburger Foods Pvt. Ltd. 17. Kamfotel Resorts Pvt. Ltd. 18. Kanisha Hotels Pvt. Ltd. 19. Karaoke Amusements Pvt. Ltd. 20. Swastik Amusements & Hotels Pvt. Ltd. 21. Talent Hotels Pvt Ltd. 22. Treeo Resort Pvt. Ltd. 23. Venketesh Hotels Pvt. Ltd. 24. 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) Ltd.	15,319 shares

4. Name: **Mr. Vikram V. Kamat**

Mr. Vikram V. Kamat is a Science graduate (BSc) with specialisation in Hotel Management from the Institute of Hotel Management, Catering Technology and Applied Nutrition (IHMCTAN), Mumbai. He has considerable potential in managing the operation of the company and has been closely associated with the operations of the Company.

Directorship held in other Companies - 1. Himco Financial Management Pvt Ltd. 2. Indira Investments Pvt. Ltd. 3. Kamat Holdings Pvt. Ltd. 4. Kamats Holiday Resorts (Silvassa) Pvt. Ltd. 5. Kamat Holiday Resorts Pvt. Ltd. 6. Kamats Amusements Pvt Ltd. 7. Kamats Club Pvt Ltd. 8. Kamats Development Pvt. Ltd. 9. Kamats Eateries Pvt. Ltd. 10. Kamats Restaurants Pvt. Ltd. 11. Kamats Super Snacks Pvt. Ltd. 12. Kamburger Foods Pvt. Ltd. 13. Kamfotel Resorts Pvt Ltd. 14. Kanisha Hotels Pvt Ltd. 15. Karaoke Amusements Pvt. Ltd. 16. Swastik Amusements & Hotels Pvt. Ltd. 17. Treeo Resort Pvt. Ltd. 18. Venketesh Hotels Pvt. Ltd. 19. 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) Ltd.	500 shares

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the Twenty-Second Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2009.

FINANCIAL RESULTS

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

(Rs. in Lakhs)

Particulars	Year ended March 31, 2009	Year ended March 31, 2008
Total Income	**12,681.00**	15,267.11
Profit Before Interest, Depreciation & Taxation	**4,255.01**	7,188.56
(Less): Interest	**(2,329.36)**	(1,656.74)
(Less): Depreciation	**(1,109.35)**	(990.52)
Profit Before Extra Ordinary Item and Tax	**816.30**	4,541.30
Add/(Less): Extra Ordinary Item	**171.71**	(171.71)
Profit Before Tax	**988.01**	4,369.59
(Less): Provision for current tax	**(104.00)**	(998.00)
(Less): Provision for deferred tax	**(385.12)**	(602.41)
(Less): Provision for fringe benefit Tax	**(28.80)**	(28.00)
(Less): Provision for wealth tax	**(8.00)**	(0.52)
Add: MAT credit entitlement	**104.00**	-
Profit after tax	**566.09**	2,740.66
(Less): Prior period adjustments	**-**	(7.61)
Net profit after adjustments	**566.09**	2,733.05
Add: Surplus Brought Forward from previous year	**5,050.61**	3,060.77
Distributable Profits	**5,616.70**	5,793.82
Appropriations:		
i) Proposed dividend on Equity Shares	**(158.37)**	(395.92)
ii) Tax on proposed dividend on (i) above	**(26.91)**	(67.29)
iii) Transferred to General Reserve	**(14.25)**	(280.00)
Balance carried over to Balance Sheet	**5,417.17**	5,050.61

YEAR IN RETROSPECT

During the year under review, the performance of your Company has been adversely affected due to general slow down in the industry, global financial crisis, heinous attack on Mumbai's leading hospitality industry and security concerns among foreign travellers. The Average Room Rate, during the year under review, was recorded at Rs. 10,263/- at The Orchid Mumbai as compared to Rs. 10,089/- in the previous year and at Rs. 5,472/- at VITS Mumbai as compared to Rs. 6,432/- in the previous year.

During the year under review, the average occupancy level of The Orchid, the flagship unit of the Company, was around 61.53% as compared to 80% in the previous year. The Average Occupancy level of the Company's other unit VITS Mumbai was around 60.2% as compared to 73% in the previous year. The total turnover of the Company

for the year was recorded at Rs. 12,681.00 lakhs (of which the turnover of Rs. 7,435.92 lakhs pertains to The Orchid, Mumbai, Rs. 3,228.06 lakhs to VITS, Mumbai and Rs. 2,017.02 lakhs to other units) as against Rs. 15,267.11 lakhs in the previous year, a decrease of around 17% over the last year. The Company has registered profit after tax of Rs. 566.09 lakhs as compared to profit of Rs. 2,740.66 lakhs in the previous year, a decrease of around 79% over the last year.

Even during severe slowdown in the economy, the company was able to fulfill its financial obligations to the lenders/suppliers pertaining to the year under review except the delay in repayment of certain dues to Banks mentioned in clause 11 of annexure to Auditors Reports in terms of Companies (Auditors Report) Order, 2003.

CHANGE IN THE NAME OF THE COMPANY

The Board of Directors of the Company, at its meeting held on 21st March, 2009, passed a resolution to change the name of the company from "Kamat Hotels (India) Limited" to "Orchid Hotels (India) Limited". The company has nourished the brand name "The Orchid" over the years and "The Orchid" Trade Mark is also registered in the name of the company by the Trade Mark Registry under Trade Marks Act, 1999. The name "The Orchid" is very popular and well known to the general public and has become synonymous with the name of the company. The Registrar of Companies, Maharashtra, vide its sanction letter dated 6th May, 2009, has approved the proposed name "Orchid Hotels (India) Limited". To expedite the process of change of name, the Board has decided to obtain your approval by postal ballot. The notice of postal ballot with explanatory statement and postal ballot form will be sent to the shareholders.

DIVIDEND

Your Directors are pleased to recommend payment of dividend @12% (Rs. 1.20 per share) for the year ended 31st March, 2009 (Previous year 30% or Rs. 3 per share). The dividend tax will be paid by the Company and dividend will be exempt in the hands of the shareholders.

AWARDS

The Orchid, Asia's first and only ISO 14001certified Eco-friendly Five Star Hotel, continues to maintain the track record of winning prestigious awards ever since its inception. During the year under review, The Orchid has won the following awards:

"Best Traffic Island" for the year **2008** by The **National Society of the Friends of Trees** for the traffic island, Ambedkar Garden, at Madam Cama Road maintained by "The Orchid".

"Best Traffic Island" for the year **2008** by The **National Society of the Friends of Trees** for the Bandra Fire Brigade Garden maintained by "The Orchid".

The above awards were presented to "The Orchid" on 8th February, 2009.

Your Company has so far bagged 40 national and 23 international awards. Most of these awards have been won mainly because of the environment awareness created by the flagship hotel, "The Orchid".

PROJECTS UNDER IMPLEMENTATION:

Existing Hotels :

Refurbishing of The Orchid, Mumbai –Phase III

Your Directors are pleased to report that the third phase of refurbishing of balance 58 guest rooms and suites in the Company's flagship hotel "The Orchid" at Mumbai has been completed during the year.

Additional facilities at Fort Jadhav Gadh, Pune

Likewise, the Company has added swimming pool, spa, open air restaurant and 12 tent rooms at Fort Jadhav Gadh, a Gadh Heritage Hotel at Saswad, Pune.

Upgrading of "VITS" Nagpur

Simultaneously, the Company has refurbished the first two floors of its leased hotel property Hotel Sunny International at Nagpur and upgraded it to business class hotel, namely, VITS. There are plans to refurbish the third and fourth floors rooms during the coming year.

Refurbishing of Kamats Hotel Sidharth, Nashik

The Company is adding two conference rooms to the existing hotel property at Nashik. This will result in increase in the hotel revenues.

Expansion projects:

"The Orchid Expansion" Mumbai

The construction work of Orchid Expansion Hotel Project at Mumbai, addition of 128 hotel rooms to the Company's existing five star Ecotel Hotel "The Orchid", has started in October, 2008 at an estimated cost of Rs.136 Crores, of which a sum Rs.89 Crores is being funded by State Bank of India. This project is likely to be fully completed by August, 2010.

"VITS" Bhubaneshwar

The Company has acquired an existing hotel with 80 rooms and facilities at Bhubaneshwar, Orissa State. Currently this property is under refurbishing and will be operational by November end, 2009.

Long Term Agreements with OTDC

The Company has signed two lease agreements with Orissa Tourism Development Corporation (OTDC) during the year, on completion of successful bidding process and took possession of Mahodadhi Niwas at Puri and Eco Resort at Ramchandi, near Sun Temple at Konark. The project work is in progress and likely to be completed soon.

Lease Agreement for Palace at Parikud, Orissa

The Company has also acquired, on long term lease basis, Parikud Palace in Orissa for eco- tourism and environmental study for Chilika Lake.

MANAGEMENT CONTRACTS

During the year, the Company has entered into management contracts and arrangements for providing technical consultancy. The new contracts includes

Lotus Lakeview Resort, Udaipur 80 rooms

Lotus Beachside Resort, Karwar Karnataka, 60 rooms

VITS- Luxury Business Hotel, NCR Delhi, 150 rooms

JOINT VENTURE/SUBSIDIARY COMPANY

During the year under review and current year, the Company increased its stake in BW Highway Star Pvt. Ltd. from 17% to 75% by acquiring equity shares from other members/shareholders.

The Company was obliged to take possession of two hotels viz., The Orchid and VITS held by BW Highway Star Private Limited at Balewadi Sport complex, Pune in the month of October, 2008 in terms of a duly executed Operation and Management Agreement executed on 15th November, 2007, inter alia, for providing rent free hotel facilities to the athletes and delegates from various countries participating in the Commonwealth Youth Games 2008. Thereafter the Company partially commenced operations of the VITS Hotel for hotel guests in the month of November, 2008, awaiting completion of remaining civil and furnishing work in those two hotels by the Construction Contractors Unity Infraprojects Limited, of the said BW Highway Star Pvt. Ltd.

As a result of increase in the stake of the Company in the current year, BW Highway Star Pvt. Ltd., has become a subsidiary of the Company.

During the year under review, the Company successfully negotiated and completed the transaction for sale of its entire 60% stake in its Subsidiary Concept Hospitality Limited in an all cash deal. Hence, Concept Hospitality Ltd. has ceased to be a subsidiary of the company with effect from 14th March, 2009.

OTHER PROPERTIES

The Company is holding immovable properties at Baddi, Raipur, Nagpur, Coimbatore, Kottayam-Kerala and Amravati for the purpose of developing hotels and restaurants at the appropriate time in view of great potential for tourism in the coming years. These hotel projects will be taken up at the appropriate time.

FIXED DEPOSITS

The Company has neither invited nor accepted any fixed deposits during the year under review.

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, and forming part of the Directors' Report for the year ended 31st March, 2009 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, 2009 and of the profit 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 utilisation of energy. The hotel is fitted with energy saving devices to conserve energy in the long run.

b. Technology Absorption: The activities of Company at present do not involve technology absorption and research and development.

c. Foreign exchange earnings and outgo

Earnings	:	Rs. 3491.83 lakhs (previous year Rs. 5,052.73 lakhs)
Utilisation (including import of capital goods)	:	Rs. 627.32 lakhs (previous year Rs. 656.88 lakhs)

DIRECTORS

Padmashree Thangam E. Philip ceased to be Director of the company due to her demise on 28th January, 2009. In the Board meeting held on 1st February, 2009, the Directors paid their tribute to late Padmashree Thangam E. Philip and placed on record the invaluable guidance given by her to the Company during her tenure as a Director.

Mr. Vikram V. Kamat was appointed, subject to shareholders approval, as Executive Director of the Company on 1st October, 2008 by the Board. He is liable to retire by rotation. The notice of ensuing Annual General Meeting contains necessary resolution in this regard for shareholders approval.

Mr. K. P. Kannampilly and Mr. Suhail Kannampilly ceased to be Directors due to resignation w.e.f 21st March, 2009. The Board places on record its appreciation for the valuable services rendered by Mr. K. P. Kannampilly and Mr. Suhail Kannampilly during their tenure as members of the Board.

Mr. Ved Prakash Khurana, Mr. Ramesh N. Shanbhag and Mr. Vishal V. Kamat retire by rotation and being eligible, offer themselves for reappointment. The Directors recommend their re-appointment.

Brief profile of Mr. Ved Prakash Khurana, Mr. Ramesh N. Shanbhag and Mr. Vishal V. Kamat, Directors retiring by rotation and Mr. Vikram V. Kamat, Executive Director is given in Annexure II to the Notice convening the ensuing Annual General Meeting.

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 the Annexure "B" and "C" forming part of this report.

CORPORATE SOCIAL RESPONSIBILITY

The Company, as in the past, constantly undertakes several eco friendly initiatives towards its pursuit for better environment.

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.

AUDITORS

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

AUDITORS' OBSERVATIONS

With regard to observations made by the Auditors in their report in para No.11 of the annexure, the same are self explanatory and do not call for further explanation.

EMPLOYEE RELATIONS

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

ACKNOWLEDGEMENTS

The Directors place on record their appreciation for the sincere and whole hearted co-operation extended by all concerned, particularly Stock Exchanges, Department of Tourism, company's bankers, Municipal authorities, Government of Maharashtra, Central Government, suppliers, clientele and staff 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

Vithal V. Kamat
Executive Chairman & Managing Director

Place: Mumbai
Date: 30th May, 2009

KAMAT HOTELS (INDIA) LIMITED

ANNEXURE 'A' TO THE DIRECTORS' REPORT, 2009.

Information as per Section 217 (2A) read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March 2009.

Name	Designation	Qualifications	Remuneration (Rupees)	Experience Years	Age Years	Date of Commencement of employment	Particulars of last employment
Mr. Vithal V. Kamat	Executive Chairman & Managing Director	Dip.In Elect. Engg. (IV Sem.)	57,96,000	36	57	01-04-1994	Plaza Hotels Pvt. Ltd.
Mr. Ramesh N. Shanbhag	Whole-time Director	B.Com	23,51,353	34	55	30-01-1999	Concept Hospitality Ltd.
Mr Vishal V. Kamat	Executive Director	B.Sc, Hotel Management from (IHMCTAN),	23,04,480	6	27	29-09-2003	–
Mr. Vikram V. Kamat	Executive Director	B.Sc, Hotel Management from (IHMCTAN),	7,92,000	3	23	22-07-2006	–

Notes :

1. The nature of employment is contractual.
2. The remuneration shown above is gross and comprises of basic salary, allowances and perquisites.
3. The nature of the duties of the Whole-time Directors is to manage the business and affairs of the company subject to the supervision and control of the Board of Directors.
4. Relationship – Mr. Vithal V. Kamat, Executive Chairman and Managing Director is related to Mr. Vishal V. Kamat, and Mr. Vikram V. Kamat, Executive Directors.
5. Mr. Vikram V. Kamat was employed for part of the year commencing from 1st October, 2008.

ANNEXURE "B" TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS ENVIRONMENT, INDUSTRY STRUCTURE, DEVELOPMENT & OUTLOOK

Business in the hotel and hospitality sector, like few other manufacturing sectors, is cyclical in nature. Any significant change in the economy directly affects the sector. The overall tourism activities in India till financial year ended 31st March, 2008 had been healthy in line with the booming economy.

In the beginning of 2008, economies of US and some other developed countries started to witness severe slowdown and financial crisis. As far as Indian economy is concerned it was generally considered that the Indian economy would be relatively immune to this crisis because of its "strong fundamentals" and apparently well-regulated banking system. However, with the beginning of FY 09, the major economies in Europe and Japan also started declining, giving out strong signals of global financial and economic crisis. Later, fast growing countries like India and China were also affected by the heat and ripple effects of the global crisis. Consequently, the growth rate of gross domestic product has dipped from an average of over 9% in the previous three fiscal years to less than 7% during 2008-09. In short, the economies around the world including Indian economy witnessed one of the severest crisis in financial sector, depressed business confidence and slow-down in demand of goods and services.

The hotel sector, which is a significant stakeholder of the Indian tourism sector, also witnessed the effect of the global crisis. The Financial year 2007-08 had been a buoyant year for the sector as it benefited extensively from the growth of the country's economic activities. In the Financial Year 2008-09, the effects of the global economic meltdown and downturn of the Indian economy were visible on the tourism sector. Foreign tourist arrivals during the year under review indicated moderate growth. Many domestic companies had drastically reduced their conferences/ conventions and business trips in order to fight recession. Consequently, the occupancy rates declined by more than 10-15% across the premium segment of hotels in the year 2008-09. In addition to the impact of global economic crisis, the business environment in tourism sector in India was worsened further by the terrorist attacks in Mumbai. The attack had a direct impact on this sector since it had targeted premium category hotels and foreigners. The period October-February being the peak time for the tourism sector in India, the terrorist attack caused substantial loss of revenue to the hotel industry.

In this background of global economic crisis and terror attack in Mumbai, the Indian hotel industry witnessed lower Occupancy and ARR in most part of the Financial Year 2008-09. Many events during the current year indicates that the worst part of the global financial crisis is likely to be over soon. The clear verdict in the parliamentary election in the country is going to boost investment and business sentiments. Despite the slowdown faced by the hotel and hospitality sector in line with the global crisis, India is still one of the fastest growing economy and offers tremendous opportunities of growth in hotel and hospitality sector. Events like Commonwealth games in 2010 and Cricket World Cup in 2011 will definitely increase the average room rate, occupancy rates and overall sentiments. The Government has declared hotel and tourism sector as a high priority sector with a provision for 100% foreign direct investment(FDI) through the automatic route which has made this sector lucrative for investment. The 'Incredible India' campaign, launched by the Government in 2002 as an integrated marketing and communication effort to promote India as a destination across the world is considered to be one of the most successful initiatives. The Ministry of Tourism has promoted several tourism driving concepts like Rural Tourism, Eco Tourism, Adventure Tourism, Medical Tourism, Cruise Tourism etc to boost the sector. The Union Budget 2008-09 has provided for five-year income tax holiday to certain star category hotels to be established in specified districts, which have been declared as "World Heritage Sites" by United Nations Educational, Scientific and Cultural Organization (UNESCO). Tourism is an integral part of any economy. This sector being labour intensive, provides huge employment opportunities and contribute substantial amount of foreign exchange.

As per "Indian Tourism Industry Analysis", India is expected to see an influx of 10 million international tourists by 2010.India's share in global tourism is expected to reach 1.5% by 2010.According to World Travel and Trade

Council (WTTC) estimates, India's tourism demand is likely to grow at an average rate of 8.8% till 2013.The growth in India's tourism market is expected to serve as a boon, driving the growth of hotel industry as well.

OPPORTUNITIES, THREATS, RISKS AND CONCERNS

India's rich heritage, diverse culture, cuisine etc. untapped market offer tremendous opportunities in tourism, hotel and hospitality sector. The Management's efforts in saving the usage of energy, natural resource, operating environment friendly hotels create huge scope in this field.

The major barriers for entry in the hotel sector are procedural delays, multiple window clearance, high capital costs, poor infrastructure facilities and scarcity of land especially in the metros resulting in sky rocketing prices of the land. Competition is intense in metro cities which is also slowly picking up in secondary cities due to the entry of foreign hotel chains.

Any change in Indian and global economies, change in demand supply situation, change in Government policies and security threats may affect the future of the hotel industry.

Besides, factors like high labour turnover, shortage of trained and skilled manpower, poor infrastructure and communication facilities, political instability, social unrest, natural calamities, spread of diseases like plague, bird flu, swine flu etc. may pose serious risk to the prospects of hotel sector.

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 Rs. 12,681 lakhs for the financial year ended on 31st March, 2009 as against the turnover of Rs. 15,267 lakhs for the previous financial year. The Profit after taxes for the year under review was Rs. 566.09 lakhs as against Rs. 2,740.66 lakhs for the previous year. The Average Room Rate, during the year under review, was recorded at Rs. 10,263 at The Orchid as compared to Rs. 10,089 in the previous year and at Rs. 5,472 at VITS as compared to Rs. 6,432 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 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 1195 employees as on 30th May, 2009. The Company values its employees as its key assets. Hence, 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, Kamat Hotels (India) Ltd. (KHIL) 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, 2009 the Board comprised of nine directors including four executive directors, and five 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 benefit of the 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 KHIL attended	Last AGM Attendance (Yes/No.)
Mr. Vithal V. Kamat	Executive Chairman & Managing Director (Promoter)	–	–	–	7	Yes
Mr. K. P. Kannampilly***	Non- Executive Director	1	-	-	4	Yes
Padmashree Thangam E.** Philip	Independent Non Executive Director	2	-	-	0	No
Mr. Ramesh N. Shanbhag	Whole-Time Director	1	-	-	2	Yes
Mr. S. S. Thakur	Independent Non-Executive Director	9	4	8	7	Yes
Mr. Vishal V. Kamat	Executive Director (Promoter)	1	-	-	6	Yes
Mr. Ved Prakash Khurana	Independen Non-Executive Director	1	-	-	7	Yes
Mr. Pravin N. Ghatalia	Independent Non-Executive Director	9	4	9	7	Yes
Mrs. Rajyalakshmi Rao	Independent Non-Executive Director	3	-	-	3	Yes
Mr. Suhail Kannampilly***	Non- Executive Director	-	-	-	5	Yes
Mr. T. M. Mohan Nambiar	Independent Non-Executive Director	2	1	1	7	Yes
Mr. Vikram V. Kamat	Executive Director(Promoter)	1	-	-	6	Yes

*Excluding private limited companies, Section 25 non profit companies, unlimited companies and companies where the director is an alternate director as per Section 278 of the Companies Act, 1956.

** Ceased to be Director of the Company w.e.f. 28th January, 2009 due to her death.

***Ceased to be Director of the Company w.e.f 21st March, 2009.

During the financial year 2008-2009, seven Board meetings were held on 31st May, 2008, 26th July, 2008, 30th August, 2008, 25th October, 2008, 24th January, 2009, 1st February, 2009 and 21st March, 2009. Leave of absence was granted to directors who could not attend the Board meetings.

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 committee across all companies in which he 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 Agreements 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 networth and value to the shareholders. The Board also reviews the performance of all the divisions of the Company.

COMMITTEES OF THE BOARD

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

AUDIT COMMITTEE

The Company has set up an independent and qualified Audit Committee. The chairman of the Committee is an independent director who is an eminent senior Chartered Accountant having expertise in accounting and financial management field. All the other members of the Committee are also non- executive independent Directors of high caliber possessing vast experience, knowledge and management expertise in accounting and financial field.

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 fee.

During the year under review six meetings of Audit Committee were held on 19th May, 2008, 31st May, 2008, 26th July, 2008, 25th October, 2008, 24th January, 2009 and 21st March, 2009.The composition of the Audit Committee and attendance at its meetings are as follows:

Sr. No.	Name of the Member	Category	Meetings attended
1	Mr. Pravin N. Ghatalia	Chairman	6
2	Mr. S. S. Thakur	Member	6
3	Padmashree Thangam E. Philip*	Member	0
4	Mr. Ved Prakash Khurana	Member	6
5	Mr. T. M. Mohan Nambiar	Member	6

*Ceased to be member of Audit Committee w.e.f 28th January, 2009 due to her death.

The Statutory Auditors, Internal Auditors, Chief Financial Officer and Corporate Accounts Manager attend the meetings of the Audit Committee upon invitation. The Company Secretary acts as secretary of the Committee.

REMUNERATION COMMITTEE

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	Padmashree Thangam E. Philip*	Member	0
3	Mr. Ved Prakash Khurana	Member	2
4	Mr. T. M. Mohan Nambiar	Member	2

*Ceased to be member of Remuneration Committee w.e.f. 28th January, 2009 due to her death.

Two meetings of the Remuneration Committee were held on 26th July, 2008 and 30th August, 2008.

The Company Secretary, Mr. Mahesh Kandoi is currently the secretary of the Committee.

DETAILS OF REMUNERATION PAID TO THE WHOLE-TIME DIRECTORS DURING THE YEAR ENDED 31ST MARCH, 2009.

Name of the Director	Salary & allowances (Rs.)	Perquisites (Incl. PF) (Rs).
Mr. Vithal V. Kamat Executive Chairman and Managing Director	51,00,000	6,96,000
Mr. Ramesh N. Shanbhag Whole-time Director	21,00,000	2,51,353
Mr. Vishal V. Kamat Executive Director	21,00,000	2,04,480
Mr. Vikram V. Kamat Executive Director w.e.f 1st October, 2008	7,20,000	72,000

The Executive Chairman and Managing Director and the Non-Executive Directors have voluntarily waived the payment of commission to them for the period from 1st April, 2008 to 31st March, 2009 considering the adverse financial performance of the Company during the said period.

DETAILS OF SITTING FEES PAID TO NON EXECUTIVE DIRECTORS

(Amount in Rs.)

Name of the Director	Total
Padmashree Thangam E. Philip	0
Mr. K. P. Kannampilly	80,000
Mr. S. S. Thakur	2,90,000
Mr. Ved Prakash Khurana	2,95,000
Mr. Pravin N. Ghatalia	2,60,000
Mr. T. M. Mohan Nambiar	2,90,000
Mrs. Rajyalakshmi Rao	60,000
Mr. Suhail Kannampilly	1,00,000
Mr. Vikram V. Kamat	40,000
Total	**14,15,000**

Number of shares and convertible instruments held by non- executive directors

Name	No. of Shares
Mr. S. S. Thakur	NIL
Mr. Pravin N. Ghatalia	NIL
Mr. V. P. Khurana*	1,500
Mrs. Rajyalakshmi Rao	NIL
Mr. T. M. Mohan Nambiar*	1,021

* Only shareholding as first Joint holder is given.

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	Padmashree Thangam E. Philip*	Member	0
3	Mr. Ramesh N. Shanbhag	Member	1

*Ceased to be member of Shareholders' Grievance Committee w.e.f 28th January, 2009 due to her death.

A meeting of the Shareholders' Grievances Committee was held on 31st May, 2008.

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 32 shareholders' complaints, which were promptly responded and resolved to the satisfaction of the concerned shareholders. As on 31st March, 2009 there were no pending share transfers with the Company.

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

Particulars	FY-2005-2006 AGM	FY-2006-2007 AGM	FY-2007-2008 AGM
Date	23rd September, 2006	28th July, 2007	30th August, 2008
Location	"Shubham Hall", Landmark Bldg., Opp. Vile Parle Railway Stn., Junction of Besant Road and V. P. Road, Vile Parle (W), Mumbai – 400 056	"Shubham Hall", Landmark Bldg., Opp. Vile Parle Railway Stn., Junction of Besant Road and V. P. Road, Vile Parle (W), Mumbai – 400 056	"Shubham Hall", Landmark Bldg., Opp. Vile Parle Railway Station, Junction of Besant Road and V. P. Road, Vile Parle (West), Mumbai – 400 056
Time	11.00 a.m.	10.30 a.m.	3.00 p.m.

Four Special Resolutions were passed at each of the Annual General Meetings held on 23rd September 2006 and 28th July, 2007 and two Special Resolutions were passed at Annual General Meeting held on 30th August, 2008.

POSTAL BALLOT

The following resolutions were passed through Postal Ballot, pursuant to Section 192A of the Companies Act, 1956 read with Companies (Passing of the Resolution by Postal Ballot) Rules, 2001. The details / results of the Postal Ballot so conducted are as under:

Sr. No.	Date of notice of Postal Ballot	Date of Scrutinizer's Report & declaration of results	Description of the Resolution Passed	Results
1	25/10/2008	30/12/2008	Special Resolution under section 372A of the Companies Act, 1956, seeking consent of the members for making any loan giving any guarantee or providing any security and for acquiring the securities of bodies corporate.	No. of votes cast in favour of resolution -96,78,980 (99.87%) No. of votes against the resolution - 3,987 (0.04%) Carried by requisite majority.
2	25/10/2008	30/12/2008	Ordinary Resolution under section 293 (1) (d) of the Companies Act, 1956 seeking consent of the members to borrow any sum of moneys that may exceed the aggregate of the paid up capital of the Company and its free reserves provided that the total amount of moneys borrowed by the Company shall not exceed the limit of Rs. 1,000 crores.	No. of votes cast in favour of resolution-96,78,325 (99.86%) No. of votes against the resolution-4,542 (0.05%) Carried by requisite majority.

Mr. V.V. Chakradeo, Company Secretary in whole-time practice, was appointed as Scrutinizer and conducted the Postal Ballot exercise. A Special Resolution for changing the name of the company from "Kamat Hotels (India) Limited" to "Orchid Hotels (India) Limited" is proposed to be passed through Postal Ballot as detailed in the Directors' Report.

DISCLOSURES:

CEO and CFO Certification:

The 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. 3.6 of Schedule "N" to the Notes to Accounts 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.

The Company is compliant with all the mandatory clauses. There is no Auditors' qualification pertaining to financial statement of the Company.

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" and Marathi Daily "Navshakti" newspaper.

The company's Balance Sheet is posted on the website "www.khil.com"

The company regularly updates its website regarding information pertaining to shareholders.

The company had released two news update during the year to analysts on 16th October, 2008 and 10th November, 2008.

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

Telephone No.	:	2616 4000
Fax No.	:	2616 4201
Email	:	cs@khil.com
Website	:	www.khil.com

GENERAL SHAREHOLDERS INFORMATION

1. 22nd Annual General Meeting

   Date : 26th September, 2009

   Time : 3.00 P.M.

   Venue: "Shubham Hall", Landmark Bldg., Opp. 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 2008 –2009	30th May, 2009(B M)*
Unaudited 1st quarter Results (June 30, 2009)	25th July, 2009
Mailing of Annual Report	On or before 30th August, 2009
Annual General Meeting	26th September, 2009
Unaudited 2nd quarter Results (September 30, 2009)	By 31st October, 2009 (B M)*
Unaudited 3rd quarter Results (December, 31, 2009)	By 30th January, 2010 (B M)*
Unaudited 4th quarter Results (March 31, 2010)	By 30th April, 2010 (B M)*

* (B M) – Board Meeting Date

3. Dates of book closure: from 15th September, 2009 to 26th September, 2009 (both days inclusive)

4. Dividend payment date for Dividend 2008-2009 — on or before 25th October, 2009

5. Listing of Equity Shares on Stock Exchanges and Market Price Data

Name of the Stock Exchange(s)	Stock Code/Symbol
Bombay Stock Exchange Limited	526668
National Stock Exchange of India Limited	KAMATHOTEL

The Company has paid listing fee to both the Stock Exchanges upto the financial year 2009-2010.

6. Stock Market Price Data

	Bombay Stock Exchange Limited		**National Stock Exchange of India Limited –Mumbai**	
Month	High(Rs)	Low (Rs)	High (Rs)	Low (Rs)
April 2008	185.00	155.50	200.00	156.50
May 2008	182.90	158.10	188.40	160.25
June 2008	180.00	118.50	178.40	112.65
July 2008	132.00	105.00	130.85	91.15
August 2008	127.00	102.10	130.00	98.65
September 2008	122.00	89.00	134.60	78.00
October 2008	101.00	51.50	114.80	44.00
November 2008	68.85	40.80	61.00	38.10
December 2008	49.80	39.60	50.00	35.20
January 2009	49.50	34.45	49.90	34.40
February 2009	39.00	29.80	37.90	29.50
March 2009	32.00	23.90	31.70	23.15

7. Performance in comparison to Broad based indices Nifty.

8. Registrars And Share Transfer Agents
Link Intime India Private Limited.
C-13, Pannalal Silk Mills Compound
L. B. S. Marg, Bhandup, Mumbai – 400 078
Tel No. 2596 3838 and Fax No. 2594 6969.

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

9. Share Transfer System

The Share Transfer Committee constituted by the Board considers and approves all physical form share related issues, transfers, transmission of shares, issue of duplicate shares 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:

Mr. Vithal V. Kamat - Executive Chairman and Managing Director

Mr. Ramesh N. Shanbhag - Whole-time Director

Mr. Vishal 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,2009.

Shareholding of Nominal Value Rs.		Number of Shareholders	% of Total	Nominal value Rs.	% of Total
1	5,000	8,140	92.3426	98,44,400	7.4594
5,001	10,000	352	3.9932	28,81,810	2.1836
10,001	20,000	156	1.7697	23,98,150	1.8171
20,001	30,000	56	0.6353	14,27,820	1.0819
30,001	40,000	29	0.3290	10,19,660	0.7726
40,001	50,000	21	0.2382	9,93,620	0.7529
50,001	1,00,000	22	0.2496	16,95,550	1.2848
Above 1,00,001		39	0.4424	11,17,12,940	84.6477
Total		8,815	100.000	13,19,73,950	100.0000

Category of Shareholdings as on 31st March, 2009.

Category	Shares	% of Total
Promoter and promoter group	96,37,198	73.02
Directors and their Relatives (other than promoter)	4,872	0.04
Mutual Fund	1,500	0.01
NRI/OCBs	13,21,481	10.01
Public:		
-Corporate Bodies	4,49,306	3.41
- Individual and Others	17,83,038	13.51
Total	**13,197,395**	**100.00**

11. Outstanding FCCBs

Pursuant to the approval of the Board of Directors in its meeting held on 30th April 2006 and the Special Resolution of the members passed in the 19th Annual General Meeting of the members of the Company held on 23rd September, 2006, the Company issued 5-year 1-day, 5.50% Foreign Currency Convertible Bonds (FCCBs) aggregating to USD 18 million, with an option to the investors to convert the FCCBs into ordinary shares at Rs.225/- per share at any time from the issue date and 10 business days prior to 14th March 2012. The conversion price is subject to adjustments as specified in the terms of the issue with minimum conversion price being regulatory floor price of Rs.170/-. The purpose of the said funding is to part-finance hotel projects of the Company in India. The terms of issue include redemption of the bonds at yield to maturity of 8.80% p.a. The entire outstanding bonds are redeemable at the option of the Company after 13th January, 2012 and 10 business days prior to 14th March, 2012, if the milestone event (i.e. 50% of guest rooms of each of the three hotel projects are put to commercial operations within 36 months from the date of issue of the bonds) are achieved.

The bonds are listed on the Singapore Stock Exchange, Singapore.

Except the above mentioned FCCB, there are no other outstanding GDR/Warrants and convertible bonds.

12. Dematerialisation of Shares

As on 31st March, 2009, 1,27,46,141 Shares (96.58% 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 INE 967C01018.

13. Location of Hotels

1 The Orchid 70-C, Nehru Road, Vile Parle (E), Mumbai – 400 099, Maharashtra, India, Tel No. 26164040

2 VITS- Mumbai Dhanodham, Kondivita Road, Off. Andheri Kurla Road, Andheri (East), Mumbai-400 059. Tel.: 28270707

3 Fort Jadhavgadh, Jadhav Wadi, Saswad, Pune - 412 301. Tel.: 02115 - 238475 / 305200

4 Kamats Hotel Siddharth Near Nasardi Bridge, Nashik Pune Road, Nashik - 422001. Tel.: 0253-2413376/ 2412620

5 VITS Nagpur, 7, Dhantoli, Wardha Road, Opp. Big Bazar,Nagpur- 440012. Tel.: 0712 - 2452891

6 Tourist Reception Centre NH-17, at Moti Talao,College Road, Sawantwadi- 416510. Tel.: 02363 - 271398/ 271461

14. Address for Correspondence

Registered Office:
70-C Nehru Road, Near Santacruz Airport,
Vile Parle (East) Mumbai-400 099, Maharashtra, India.
Contact Person: Mr. Mahesh Kandoi, Company Secretary and Compliance Officer
Telephone: 26164000, Fax 26164201
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, 2009, as envisaged in clause 49 of the listing agreement with stock exchanges.

16. Disclosure of Relationship between Directors

Name of the Director	Relationship
Mr. Vithal V. Kamat Executive Chairman and Managing Director	Father of Mr. Vishal V. Kamat, Executive Director and Mr. Vikram V. Kamat, Executive Director

ON BEHALF OF THE BOARD OF DIRECTORS

Place : Mumbai
Date : 30th May, 2009

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, 2009 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

J.G.VERMA
Partner
Membership No. 5005

Mumbai: 30th May, 2009

KAMAT HOTELS (INDIA) LIMITED

AUDITORS' REPORT TO THE MEMBERS

We have audited the attached Balance Sheet of **KAMAT HOTELS (INDIA) LIMITED,** as at 31st March, 2009 and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, and on the basis of such checks as we considered appropriate, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

1. 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.
2. 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.
3. The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report, are in agreement with the books of account.
4. In our opinion, the Balance Sheet, the Profit and Loss Account 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.
5. 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, 2009 from being appointed as a director under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the significant accounting policies and other notes appearing thereon, give the information required by the Companies Act, 1956, 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, 2009;
   (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
   (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For J.G.VERMA & CO.
Chartered Accountants

J.G.VERMA
Partner
Membership No. 5005

Mumbai: 30th May, 2009

ANNEXURE REFERRED TO IN OUR REPORT OF EVEN DATE

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, 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 going concern.

2. (a) As explained to us, physical verification of inventories has been conducted by the management at reasonable intervals.

   (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

   (c) On the basis of our examination of the inventory records of the Company, we are of the opinion that the company is maintaining proper records of inventory. Discrepancies, which were noticed on physical verification of inventory as compared to book records, were not material and have been properly dealt with in the books of account.

3. (a) According to the information and explanations given to us, the Company has granted following unsecured loans to companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956:

      (i) interest free trade deposits aggregating to Rs. 8,030.00 lakhs (maximum balance Rs. 8,030.00 lakhs) to three such parties;

      (ii) interest free (A) share application money of Rs. 1,000.00 lakhs (maximum balance Rs. 1,000.00 lakhs), (B) temporary loan of Rs. 200.00 lakhs (maximum balance Rs. 200.00 lakhs); and (C) temporary assistance of Rs. 610.38 lakhs (maximum balance Rs. 610.38 lakhs) by way of discharging financial obligations of one such party.

   (b) In our opinion and according to the information and explanations given to us, the terms and conditions of the above trade deposits and loans are prima facie not prejudicial to the interest of the Company.

   (c) None of the above deposits and loans was due for refund during the year and accordingly our comments on the regularity of receipt of the principal amount of these deposits given and interest thereon are not given.

   (d) There was no overdue amount of such deposits and loans given by the Company during the year.

   (e) According to the information and explanations given to us, the Company has taken loans by way of secured debentures aggregating to Rs. 893.95 lakhs (maximum balance – Rs. 893.95 lakhs) from such parties numbering four.

   (f) The rates of interest and other terms and conditions of above debentures are *prima facie* not prejudicial to the interest of the Company.

   (g) The payment of the principal amount of these debentures and interest thereon wherever applicable was regular.

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, (a) in our opinion, 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. According to the information and explanations given to us, there are no amounts payable in respect of undisputed statutory dues as at 31st March, 2009 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 Stature / Nature of the dues and period	Amount (Rupees in lakhs)	Forum where dispute is pending
Income tax Act, 1961 – assessment year 2006-07	12.70	Commissioner of Income-tax (Appeals)

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 or immediately preceding financial year.

11. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institution and debenture holders. *In respect of repayment of dues to banks (a) aggregating to Rs.1,785.14 lakhs, there were delays in payments ranging from 3 days to 80 days during the year (b) of Rs.2000 lakhs payable on 31st March, 2009, the Company's application for reschedulement has been approved by the local branch office of the bank pending final approval of their head office.*

12. In respect of loans of Rs. 200.00 lakhs given by the Company in earlier year (considered doubtful by the management and fully provided for) inter alia on the basis of pledge of certain shares, the Company has maintained adequate documents and records. Except the above, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

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 guarantee for loan taken by a company from a bank, the terms and conditions whereof, in our opinion, are not prejudicial to the interest of the Company.

16. According to the information and explanations given to us, the term loans raised by the Company have been applied for the purpose for which they were raised.

17. According to the information and explanations given to us and on an overall examination of the Balance sheet of the Company, we report that Rs. 1,264.22 lakhs raised on short term basis have 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. During the year, the Company has not issued any debentures. In respect of Foreign Currency Convertible Bonds issued by the Company in 2006-07, approval for issue of corporate guarantee by a group company to secure the said Bonds is awaited from Reserve Bank of India, and accordingly security has not been created for these Bonds.
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

J.G.VERMA
Partner
Membership No. 5005

Mumbai: 30th May, 2009

KAMAT HOTELS (INDIA) LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2009

	SCHEDULE	Rs. in Lakhs	Rs. in Lakhs	Prev. Year Rs. in Lakhs
SOURCES OF FUNDS:				
SHAREHOLDERS' FUNDS:				
Share Capital	A	**1,378.59**		1,378.59
Reserves and Surplus	B	**14,996.02**		14,817.79
			16,374.61	16,196.38
LOAN FUNDS:				
Secured Loans	C	**17,351.57**		13,375.52
Unsecured Loans	D	**13,571.34**		10,744.28
			30,922.91	24,119.80
DEFERRED TAX LIABILITY (NET)			**2,721.01**	2,335.89
TOTAL			**50,018.53**	42,652.07
APPLICATION OF FUNDS:				
FIXED ASSETS:	E			
Gross Block		**38,506.87**		32,905.10
Less: Depreciation		**6,302.75**		5,267.98
Net Block		**32,204.12**		27,637.12
Capital Work-In-Progress		**4,588.73**		3,577.70
			36,792.85	31,214.82
INVESTMENTS	F		**2,192.21**	2,008.76
FOREIGN CURRENCY MONETARY ITEM TRANSLATION DIFFERENCE ACCOUNT (Note 3.4 (c) of Schedule N)			**35.77**	-
LONG TERM DEPOSITS	G		**8,043.50**	8,043.50
CURRENT ASSETS, LOANS AND ADVANCES:	H			
Inventories		**393.18**		425.10
Sundry Debtors		**1,327.63**		1,488.47
Cash and Bank Balances		**1,267.77**		1,163.35
Loans and Advances		**4,422.67**		2,240.32
		7,411.25		5,317.24
LESS: CURRENT LIABILITIES AND PROVISIONS:	I			
Current Liabilities		**2,824.65**		2,111.48
Provisions		**1,632.40**		1,820.77
		4,457.05		3,932.25
NET CURRENT ASSETS			**2,954.20**	1,384.99
TOTAL			**50,018.53**	42,652.07
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	N			

Signature on the above Balance Sheet and Schedules "A" to "I" and "N".

As per our report of even date

For J. G. VERMA & CO.
Chartered Accountants

J. G. Verma
Partner

Vithal V. Kamat
Executive Chairman & Managing Director

Vishal V. Kamat
Executive Director

Mahesh Kandoi
Company Secretary

Ramesh N. Shanbhag
Wholetime Director

Vikram V. Kamat
Executive Director

Kurian Chandy
Chief Financial Officer

Mumbai: 30th May, 2009

KAMAT HOTELS (INDIA) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	SCHEDULE	Rs. in Lakhs	Rs. in Lakhs	Prev. Year Rs. in Lakhs
INCOME:				
Income from Hotel Operations	J		**12,003.96**	14,761.18
Other Income	K		**677.04**	505.93
TOTAL			**12,681.00**	**15,267.11**
EXPENDITURE:				
Operating and General Expenses	L		**8,425.99**	8,078.55
Interest and Finance Charges	M		**2,329.36**	1,656.74
Depreciation			**1,109.35**	990.52
TOTAL			**11,864.70**	**10,725.81**
PROFIT FOR THE YEAR BEFORE EXTRA ORDINARY ITEMS AND TAX:			**816.30**	4,541.30
Add/(Less): Extra Ordinary Item (Note 3.4(a) of Schedule 'N')			**171.71**	(171.71)
PROFIT FOR THE YEAR BEFORE TAX			**988.01**	**4,369.59**
Less: Provision for Current Tax		**104.00**		998.00
Provision for Fringe Benefit Tax		**28.80**		28.00
Provision for Wealth Tax		**8.00**		0.52
			140.80	1,026.52
			847.21	3,343.07
Less: Provision for Deferred Tax (Note 3.9 of Schedule 'N')			**385.12**	602.41
			462.09	2,740.66
Add: MAT Credit Entitlement (Note 3.11 of Schedule 'N')			**104.00**	-
PROFIT AFTER TAX BUT BEFORE ADJUSTMENTS			**566.09**	2,740.66
LESS: PRIOR PERIOD ADJUSTMENTS:				
(Note 3.4(b) of Schedule 'N')				
Prior Period Expenses		**-**		760.64
Less: Prior Period Credit		**-**		753.03
			-	7.61
NET PROFIT BEFORE APPROPRIATION			**566.09**	2733.05
APPROPRIATIONS:				
Proposed Dividend on Equity Shares (Tax Free)		**158.37**		395.92
Tax on Proposed Dividend		**26.91**		67.29
Transferred to General Reserve		**14.25**		280.00
			199.53	743.21
			366.56	1,989.84
ADD: SURPLUS BROUGHT FORWARD FROM PREVIOUS YEAR			**5,050.61**	3,060.77
BALANCE PROFIT CARRIED TO BALANCE SHEET			**5,417.17**	**5,050.61**
EARNING PER SHARE (EPS) (Note 3.8 of Schedule 'N')				
Earning Per Share (EPS) before extra ordinary item				
Basic EPS (Rs.)			**2.99**	21.63
Diluted EPS (Rs.)			**2.36**	17.05
Earning Per Share (EPS) after extra ordinary item				
Basic EPS (Rs.)			**4.29**	20.71
Diluted EPS (Rs.)			**3.38**	16.33
Number of Equity Shares used in Computing EPS				
For Basic EPS			**13,197,395**	13,197,395
For Diluted EPS			**16,734,995**	16,734,995
Nominal Value (Rupees per Share)			**10.00**	10.00
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	N			

Signature on the above Profit and Loss Account and Schedules "J" to "N".

As per our report of even date

For J. G. VERMA & CO.
Chartered Accountants

J. G. Verma
Partner

Vithal V. Kamat
Executive Chairman & Managing Director

Vishal V. Kamat
Executive Director

Mahesh Kandoi
Company Secretary

Ramesh N. Shanbhag
Wholetime Director

Vikram V. Kamat
Executive Director

Kurian Chandy
Chief Financial Officer

Mumbai: 30th May, 2009

KAMAT HOTELS (INDIA) LIMITED

CASH FLOW STATEMENT

	PARTICULARS	Year ended 31st March, 2009 (Rs. in Lakhs)	Year ended 31st March, 2008 (Rs. in Lakhs)
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Net profit before tax and extraordinary items	816.30	4,541.30
	Adjustment for:		
	Depreciation	1,109.35	990.52
	Amortisation of Expenses	17.89	-
	Loss on Sale/Discard of Fixed Assets	62.13	248.03
	Loss on Sale of Investment in Subsidary Company	9.60	-
	Surplus on disposal of Capital Assets	(87.61)	-
	Excess Tax Provision Written Back	(0.61)	-
	Unrealised Loss/(Gain) on Borrowings	136.29	(203.86)
	Extra Ordinary Item and Prior Period Adjustments	171.71	(179.33)
	Provision for Employee Benefits	49.47	99.61
	Provision for Loyalty Programmes	(13.30)	75.44
	Duty-free Import Benefits	(111.57)	(138.82)
	Bad Debts and Provision for Doubtful Debts and Advances	81.47	24.26
	Investments income	(37.08)	(0.18)
	Interest income	(32.83)	(52.06)
	Interest paid	2,193.07	1,656.74
	Operating profit before working capital changes	**4,364.27**	**7,061.65**
	Trade and other receivables	(1,480.41)	(753.98)
	Inventories	31.92	(109.92)
	Trade Payables	638.95	758.37
	Cash generated from operations	**3,554.73**	**6,956.12**
	Direct taxes paid (Net of refunds)	(579.14)	(915.93)
	Net cash from operating activities	**2,975.59**	**6,040.19**
B.	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	Purchase of Fixed Assets (including Capital Work in Progress and capital advances)	(5,270.08)	(7,548.50)
	Sale Proceeds of Fixed Assets	338.74	21.77
	Deposits Refund/Paid (including for properties)	-	(52.61)
	Investments made during the year	(694.11)	(609.60)
	Sale of Shares of Subsidiary	600.00	-
	Sale of Other Investments	1.07	0.12
	Interest Received	32.82	52.06
	Dividend Received	37.08	0.18
	Net cash used in investing activities	**(4,954.48)**	**(8,136.58)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Proceeds from long term borrowings	6,128.89	500.00
	Repayments of long term borrowings	(3,337.70)	(3,691.22)
	Proceeds from short term borrowings	5,576.74	3,500.00
	Repayments of short term borrowings	(3,631.00)	(3,723.86)
	Interest paid	(2,193.07)	(1,656.74)
	Dividend paid (including Tax on Dividend)	(460.55)	(384.47)
	Net cash used in financing activities	**2,083.31**	**(5,456.29)**
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	104.42	(7,552.68)
	CASH AND CASH EQUIVALENTS AS AT 01.04.2008 (Opening Balance)	**1,163.35**	**8,716.03**
	CASH AND CASH EQUIVALENTS AS AT 31.03.2009 (Closing Balance)	**1,267.77**	**1,163.35**

Signature on the above Cash Flow Statement

As per our report of even date

For J. G. VERMA & CO.
Chartered Accountants

J. G. Verma
Partner

Vithal V. Kamat
Executive Chairman & Managing Director

Vishal V. Kamat
Executive Director

Mahesh Kandoi
Company Secretary

Ramesh N. Shanbhag
Wholetime Director

Vikram V. Kamat
Executive Director

Kurian Chandy
Chief Financial Officer

Mumbai: 30th May, 2009

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

	Rs. in Lakhs	Rs. in Lakhs	Prev. Year Rs. in Lakhs
SCHEDULE "A"			
SHARE CAPITAL:			
AUTHORISED:			
3,00,00,000 Equity Shares of Rs. 10/- each.		**3,000.00**	3,000.00
		3,000.00	3,000.00
ISSUED, SUBSCRIBED AND PAID UP:			
1,31,97,395 Equity Shares of Rs. 10/- each, fully paid up (See Note below)		**1,319.74**	1,319.74
Forfeited Shares Account		**58.85**	58.85
TOTAL		**1,378.59**	1,378.59

Note: Of the above, 24,54,545 Equity Shares of Rs. 10/- each were allotted at par during the previous year ended 31st March, 2006 to the shareholders of erstwhile "The Himco (India) Limited" amalgamated with the Company pursuant to the Scheme of Amalgamation approved by the Bombay High Court vide Order dated 9th December, 2005.

SCHEDULE "B"			
RESERVES AND SURPLUS:			
SHARE PREMIUM ACCOUNT:			
As per last accounts		**5,550.55**	5,550.55
DEBENTURE REDEMPTION RESERVE:			
As per last accounts	**1.00**		1.00
Less: Transferred to General Reserve	**1.00**		-
		-	1.00
CAPITAL REDEMPTION RESERVE:			
As per last accounts		**266.50**	266.50
GENERAL RESERVE:			
As per last accounts	**3,949.13**		3,669.13
Less: Adjustment of Foreign Exchange Gain on adoption of AS-11 Notification (Refer Note 3.4 (c) of Schedule 'N')	**202.58**		-
	3,746.55		3,669.13
Add: Transferred from Debenture Redemption Reserve	**1.00**		-
Transferred from Profit and Loss Account	**14.25**		280.00
		3,761.80	3,949.13
SURPLUS IN PROFIT AND LOSS ACCOUNT		**5,417.17**	5,050.61
TOTAL		**14,996.02**	14,817.79

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

	Rs. in Lakhs	Rs. in Lakhs	Prev. Year Rs. in Lakhs
SCHEDULE "C"			
SECURED LOANS:			
1. DEBENTURES:			
89,39,500 12% Secured Non-Convertible Debentures of Rs. 10/- each. (Note 1 below)		**893.95**	893.95
2. TERM LOANS:			
From a Financial Institution:			
Long Term:			
a) Tourism Finance Corporation of India (Note 2 below)		**2,500.00**	-
From Banks:			
Long Term:			
b) EXIM Bank (Note 3 below)	**397.66**		1,688.75
c) Andhra Bank (Note 3 below)	**330.36**		840.17
d) Canara Bank (Note 3 below)	**4,962.88**		5,947.61
e) State Bank of India (Note 4 below)	**2,500.00**		-
f) Tamilnad Mercantile Bank Limited (Note 5 below)	**145.78**		395.80
		8,336.68	8,872.33
Short Term:			
g) Andhra Bank (Note 3 below)	**3,000.00**		2,000.00
h) The Karur Vysya Bank Limited (Note 5 below)	**-**		1,000.00
		3,000.00	3,000.00
3. VEHICLE LOANS FROM A BANK (Note 6 below)		**13.95**	35.77
4. LOANS FROM OTHERS (LONG TERM):			
Clearwater Capital Partners India Private Limited (Note 5 below)		**500.00**	500.00
5. INTER CORPORATE DEPOSITS (Note 7 below)		**200.00**	-
6. CASH CREDIT FACILITY FROM A BANK (Note 8 below)		**1,120.85**	68.30
7. TEMPORARY OVERDRAFT FACILITY FROM A BANK (Note 9 below)		**678.00**	-
8. INTEREST ACCRUED AND DUE		**108.14**	5.17
TOTAL		**17,351.57**	13,375.52

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

SCHEDULE "C" CONTD...:

Notes :

(1) The Debentures under item (1) are secured by second charge on whole of the immovable and movable property of Kamat Holiday Resorts (Silvassa) Private Limited, situated at Silvassa together with all plant and machinery thereat under Debenture Trust Deed dated 6th April 2005. These Debentures shall be redeemed in one instalment on the expiry of twelve years from the date of allotment, i.e. 31st March 2005.

(2) The Loan under item 2(a) is secured by (i) first mortgage on pari passu basis with loans under 2(b), 2(c) & 2(d) on immovable property being Hotel "VITS" at Dhanodham, Kondivita Road, off Andheri Kurla Road, Andheri (East), Mumbai; (ii) first residual charge on all movable assets at Hotel "VITS" by way of hypothecation and (iii) personal guarantees of Mr. Vithal V Kamat, Executive Chairman and Managing Director of the Company and Mr. Vishal V. Kamat, Executive Director of the Company.

(3) The Loans under items 2(b), 2(c), 2(d) and 2(g) are secured by (i) hypothecation of movable properties of the Company (save and except stocks and book debts),(ii) personal guarantee of Mr. V.V. Kamat, Executive Chairman and Managing Director of the Company, (iii) a Corporate Guarantee issued by Plaza Hotels Private Limited (PHPL) (iv) First mortgage/charge by Composite Deed of Mortgage on immovable properties being "The Orchid Hotel" at Vile Parle (East) Mumbai, land at plot no. A,B,C and D together with Hotel "VITS" at Dhanodham, Kondivita Road, off Andheri Kurla Road, Andheri (East), Mumbai, office unit No. 1,2 and 3 situated on 2nd Floor of Malkani Chambers, Nehru Road, Vile Parle (East), and Flat No 101-B,102-B and 103-B on the 1st Floor in B Wing, Blue Arch, Bamanwada, Andheri (East) Mumbai on pari passu basis amongst the lenders. Corporate Loan in 2(c) of Rs. 3.30 Crores is further secured by (i) assignment of credit card receivables from American Express credit cards ; and (ii) pledge of 22,50,150 equity shares of the PHPL held by promoters and their relatives. Rupee Term Loans included in item 2(d) aggregating to Rs. 28.42 Crores are further secured by (i) assignment of credit card receivables from Master and Visa credit cards; and (ii) pledge of 22,50,150 equity shares of PHPL held by promoters and their relatives. Balance Rupee Term Loan included in item 2(d) of Rs. 0.37 Crores is further secured by hypothecation of Diners Credit Card receivables and equitable mortgage of Company's office premises at Malkani Chambers, situated at Vile Parle (East), Mumbai and pledge of certain investments held by the Promoters.

(4) The Loan under item 2(e) is secured by (i) first mortgage on immovable property being, land admeasuring 2061.30 sq.mtrs situated at S. No. 100H.No. 6(pt) C.T.S No.2093, 2093/(1-15) Vile Parle (East), Mumbai and proposed building for Orchid expansion as well as plant, machinery, furniture and fixtures to be acquired out of bank finance; (ii) Personal Guarantee of Mr. Vithal V. Kamat, Executive Chairman and Managing Director of the Company and (iii) Corporate Guarantee of PHPL.

(5) The Loans under item 2(f), 2(h), and 4 are secured by pledge of investments held by the promoter group companies and personal guarantee of Mr. Vithal V. Kamat, Executive Chairman and Managing Director of the Company.

(6) The Vehicle Loans (Long Term) are secured by hypothecation of certain vehicles.

(7) Inter-corporate deposits are secured by pledge of securities held by promoter group companies.

(8) The Cash Credit Facility is secured by hypothecation of stocks and book debts of the company including certain credit card collections and mortgage by composite deed of Mortgage on immovable properties described in note no. (3) above (Limit Rs.10.00 crores).

(9) Temporary Overdraft facilities are secured by pledge of bank fixed deposit receipts held by the Company and also by personal guarantee of Mr. Vithal V. Kamat, Executive Chairman and Managing Director of the Company.

(10) Amount payable within one year Rs. 43.55 Crores (Prev. Year Rs. 51.75 Crores).

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

	Rs. in Lakhs	Prev. Year Rs. in Lakhs
SCHEDULE "D"		
UNSECURED LOANS:		
1. From Banks (Due to issue of cheques)	**11.96**	29.40
Long Term Loans from Others:		
2. 5.50% Foreign Currency Convertible Bonds (US $ 18 Million) (Note 1 below)	**9,171.00**	7,200.00
3. Advance Time-Share Membership Money Received	**3,203.38**	3,389.88
3. Inter Corporate Deposits	**1,060.00**	-
4. Sales Tax Deferred (Note 2 below)	**125.00**	125.00
TOTAL	**13,571.34**	10,744.28

Notes:

1. Pursuant to the approval of Board of Directors in its meeting held on 30th April, 2006 and Special Resolution of the members in the 19th Annual General Meeting of the Company held on 23rd September, 2006 the Company issued 5-year 1-day, 5.50% Foreign Currency Convertible Bonds (FCCBs) during the year ended 31st March, 2007 aggregating to USD 18.00 million (Rs. 79.56 Crores), with an option to the investors to covert the FCCBs into ordinary shares at Rs. 225/- per share at any time from the issue date and 10 business days prior to 14th March, 2012. The Conversion price is subject to adjustments as specified in the terms of the Issue with minimum conversion price being regulatory floor price of Rs. 170/-. The purpose of the said funding is to part finance three hotel project of the Company in India. The terms of issue include redemption of the Bonds at Yield to Maturity of 8.80% p.a. The entire outstanding bonds are redeemable at the option of the Company after 13th January, 2012 and 10 business days prior to 14th March, 2012, if the milestone events (i.e. 50% of guest rooms of each of the three hotel projects are put to commercial operations within 36 months from the date of issue of bonds) are achieved.

   The bonds are listed on the Singapore Exchange Securities Trading Ltd., Singapore. The bonds shall be secured by the Corporate Guarantee of the promoter group companies, for which RBI approval is awaited.

2. The Company has deferred its sales tax liability in terms of certificate 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.

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

SCHEDULE "E"

FIXED ASSETS:

(Rupees in Lakhs)

PARTICULARS	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2008	ADDITIONS	DEDUCTIONS	AS AT 31.03.2009	UPTO 01.04.2008	FOR THE YEAR	DEDUCTIONS	TO-DATE	AS AT 31.03.2009	AS AT 31.03.2008
(A) TANGIBLE ASSETS:										
Land:										
Freehold Land	3,225.62	90.61	-	3,316.23	-	-	-	-	3,316.23	3,225.62
Buildings: (Note 1 below)										
Freehold	9,326.03	553.08	-	9,879.11	1,351.54	202.94	-	1,554.48	8,324.63	7,974.49
Improvements to Hotel Buildings under Long Term Contracts	13,351.21	4,390.34	26.26	17,715.29	1,159.84	419.01	-	1,578.85	16,136.44	12,191.36
Sub-Total	22,677.24	4,943.42	26.26	27,594.40	2,511.38	621.95	-	3,133.33	24,461.07	20,165.85
Plant and Machinery	4,669.88	325.29	112.02	4,883.15	1,480.25	257.52	55.88	1,681.89	3,201.26	3,189.63
Furniture and Fixtures	1,633.51	141.59	5.34	1,769.76	1,085.46	149.82	-	1,235.28	534.48	548.06
Office Equipments	330.12	51.92	-	382.04	16.19	35.15	-	51.34	330.70	313.94
Vehicles	210.01	175.14	34.83	350.32	71.91	31.57	18.70	84.78	265.54	138.10
Total (A)	32,746.38	5,727.97	178.45	38,295.90	5,165.19	1,096.01	74.58	6,186.62	32,109.28	27,581.20
(B) INTANGIBLE ASSETS:										
Computer Softwares	158.72	52.25	-	210.97	102.79	13.34	-	116.13	94.84	55.92
Total (B)	158.72	52.25	-	210.97	102.79	13.34	-	116.13	94.84	55.92
Grand Total	**32,905.10**	**5,780.22**	**178.45**	**38,506.87**	**5,267.98**	**1,109.35**	**74.58**	**6,302.75**	**32,204.12**	**27,637.12**
Previous Year Total	26,203.98	7,130.12	429.00	32,905.10	4,436.66	990.52	159.20	5,267.98	27,637.12	
Capital Work-in-Progress (Note 2 below)	3,577.70	6,523.69	5,512.66	4,588.73	-	-	-	-	4,588.73	3,577.70
Previous Year Total	3,020.50	7,330.35	6,773.15	3,577.70	-	-	-	-	3,577.70	

Notes :

1. Buildings include (i) cost of residential flats of Rs. 54.34 lakhs (Prev. year Rs. 54.34 lakhs) and (ii) cost of shares of Rs.0.02 Lakhs (Prev. Year Rs.0.02 Lakhs) in Co-operative Housing Society and Owners Condominium representing ownership right, and cost of residential flats of Rs. 459.70 Lakhs (Prev. Year Rs. Nil) as part of proposed hotel project at Nagpur.

2. Capital work-in-progress includes:

(i) Capital Advances/deposit for fixed assets Rs. 976.47 Lakhs (Prev. Year Rs.1,275.32 Lakhs) in which included Rs.488.62 Lakhs paid to Centre for Study of Social Change for Hotel Project at Bandra Kurla Complex, is after deducting provision for doubtful advance of Rs. 54.65 Lakhs (Prev. Year Rs. Nil).

(ii) Capital Worik-In-Progress pending allocation incudes: Staff Cost Rs.28.57 Lakhs (Prev.Year Rs.3.53 Lakhs); Travelling Expenses by Directors Rs.5.35 Lakhs (Prev. Year Rs.3.84 Lakhs); by Others Rs.6.43 Lakhs (Prev. Year Rs.3.29 Lakhs); Interest on Fixed Loans Rs.292.72 Lakhs (Prev. Year Rs.280.23 Lakhs); General Expenses Rs.58.29 Lakhs (Prev. Year Rs.127.89 Lakhs); License, Rates & Taxes Rs.524.63 Lakhs (Prev. Year Rs.4.95 Lakhs); Legal & Professional Charges Rs.59.65 Lakhs (Prev. Year Rs.237.95 Lakhs); Postage & Telephone Charges Rs.0.70 Lakhs (Prev. Year Rs. 0.03 Lakhs); Printing & Stationery Rs.0.75 Lakhs (Prev. Year Rs.0.15 Lakhs); Finance Charges Rs.165.10 Lakhs (Prev. Year Rs.21.13 Lakhs); Advertisement Charges Rs.0.36 Lakhs (Prev. Year Rs. 0.36 Lakhs); Consultancy Fees Rs.43.07 Lakhs (Prev. Year Rs.38.78 Lakhs); Building Under Construction Rs.1,390.45 Lakhs (Prev. Year Rs.1,320.19 Lakhs); Furniture & Fixtures Rs.14.26 Lakhs (Prev. Year Rs.31.22 Lakhs); Plant & Machinery Rs.2.15 Lakhs (Prev. year Rs.4.90 Lakhs); FCCB Expenses Rs.35.27 Lakhs (Prev. Year Rs.133.93 Lakhs).

(iii) Rs. 984.50 Lakhs (Prev. Year Rs. 90.00 Lakhs) paid to vendors for acquiring land, building and certain movable assets of an existing hotel property at Bhubhaneshwar, of which execution of necessary documentation is in progress and hotel is under renovation.

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

		Rs. in Lakhs	Prev. Year Rs. in Lakhs
SCHEDULE "F"			
INVESTMENTS:			
LONG TERM - TRADE (AT COST)			
EQUITY SHARES (QUOTED)			
1	Asian Hotels Limited 1 Equity Share of Rs. 10/- each, fully paid up. (Amount Rs. 71/-)	**-**	-
2	Bharat Hotels Limited 3 Equity Shares of Rs. 10/- each, fully paid up. (Amount Rs. 22/-)	**-**	-
3	EIH Limited 7 Equity Shares of Rs. 2/- each, fully paid up . (Amount Rs. 211/-)	**-**	-
4	Fortune Financial Services Limited 39,700 Equity Shares of Rs. 10/- each, fully paid up.	**11.91**	11.91
5	HDFC Bank Limited 2,025 Equity Shares of Re. 10/- each, fully paid up. (Prev. Year 58,725 Equity Share of erstwhile Centurion Bank of Punjab Limited now merged with above Company).	**2.61**	2.61
6	Hotel Leela Venture Limited 5 Equity Shares of Rs. 2/- each, fully paid up. (Amount Rs. 21/-)	**-**	-
7	IndusInd Bank Limited 1,600 Equity Shares of Rs. 10/- each, fully paid up.	**0.72**	0.72
8	Oriental Hotels Limited 1 Equity Share of Rs. 10/- each, fully paid up. (Amount Rs. 68/-)	**-**	-
9	Punjab National Bank Limited 100 Equity Shares of Rs. 10/- each, fully paid up.	**0.03**	0.03
10	Satra Properties (India) Limited 1,500 Equity Shares of Rs. 2/- each, fully paid up (Prev. Year 100 Equity Shares of Rs. 10/- each, fully paid up).	**0.57**	0.57
11	Suvarna Apparel & Fashion Exports Limited 10,000 Equity Shares of Rs. 10/- each, fully paid up.	**1.00**	1.00
12	The Indian Hotels Company Limited 10 Equity Shares of Re. 1/- each, fully paid up. (Amount Rs. 179/-)	**-**	-
		16.84	16.84
	Carried forward	**16.84**	16.84

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

	Rs. in Lakhs	Rs. in Lakhs	Prev. Year Rs. in Lakhs
SCHEDULE "F" (CONTD…)			
Brought forward		**16.84**	16.84
EQUITY SHARES: (UNQUOTED)			
1 Abhyudaya Co-Operative Bank Limited 5,000 Equity Shares of Rs. 10/- each, fully paid up.	**0.50**		0.50
2 BW Highway Star Private Limited 30,58,824 Equity Shares of Rs. 10/- each, fully paid up. (Previous year 20,00,000 Equity Shares of Rs. 10/- each fully paid up.)	**1,794.12**		1,000.00
3 Kamat Concept Hospitality Private Limited 5,000 Equity Shares of Rs. 10/- each, fully paid up.	**0.50**		0.50
4 The Saraswat Co-Operative Bank Limited 2,500 Equity Shares of Rs. 10/- each, fully paid up.	**0.25**		0.25
5 The Satara Sahakari Bank Limited Nil Equity Shares of Rs. 50/- each, fully paid up. (Prev. Year 2,000 Equity Shares of Rs. 50/- each fully paid up)	**-**		1.00
		1,795.37	1,002.25
CUMULATIVE REDEEMABLE PREFERENCE SHARES: (UNQUOTED)			
Vishal Amusements Limited 3,50,000 1% Cumulative Redeemable Preference Shares of Rs. 100/- each. (Redeemable on the expiry of ten years from the date of allotment)		**350.00**	350.00
IN SUBSIDIARY (UNQUOTED)			
Concept Hospitality Limited (Note 3 below) Nil Equity Shares of Rs. 10/- each, fully paid up. (Prev. Year 4,80,000 Equity Shares of Rs. 10/- each fully paid up) Sold during the year (Note 3.14 (a) of Schedule 'N')		**-**	609.60
IN GOVERNMENT SECURITIES:			
6 Years National Savings Certificates (Deposited with Government Departments to the extent of Rs. Nil) (Prev. year Rs. 0.07 Lakhs)		**-**	0.07
INVESTMENTS-OTHERS:			
ICICI Tax Saving Bonds (Maturing on 16th November 2017) (200 Bonds of Rs. 5000/- each)	**10.00**		10.00
IDBI Tax Saving Bonds (Maturing on 11th September 2014) (400 Bonds of Rs. 5000/- each)	**20.00**		20.00
		30.00	30.00
TOTAL		**2,192.21**	2,008.76

Notes:

1. Aggregate of quoted investments:			
At Cost		**16.84**	16.84
At Market Value		**32.40**	92.20
2. Aggregate of unquoted investments:			
At Cost		**2,175.37**	1,991.92
3. Concept Hospitality Limited ceased to be subsidiary of the Company with effect from 14th March, 2009.			

KAMAT HOTELS (INDIA) LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

	Rs. in Lakhs	Rs. in Lakhs	Prev. Year Rs. in Lakhs
SCHEDULE "G"			
LONG TERM DEPOSITS:			
Long Term Deposits for Hotel and Other properties		**8,043.50**	8,043.50
TOTAL		**8,043.50**	8,043.50

Note: The above deposits include Rs. 80.00 Crores (Prev. Year Rs. 80.00 Crores) paid to Plaza Hotels Private Limited (a Company wherein some directors of the Company are directors).

SCHEDULE "H"			
CURRENT ASSETS, LOANS AND ADVANCES:			
CURRENT ASSETS:			
Inventories: (Valued and Certified by the Management)			
Food and Beverages	**70.62**		68.47
Stores and Operating Supplies	**322.56**		356.63
		393.18	425.10
Sundry Debtors: (Unsecured, considered good, unless otherwise stated)			
Over six months (Incl. Rs.26.98 Lakhs considered doubtful) (Prev. year Rs. 27.70 Lakhs)	**252.37**		198.22
Others (Note 1)	**1,102.24**		1,317.95
	1,354.61		1,516.17
Less: Provision for Doubtful Debts (Note 2 below)	**26.98**		27.70
		1,327.63	1,488.47
Cash and Bank Balances:			
On Hand (Including Cheques on hand Rs.34.09 Lakhs) (Prev. year Rs. 7.67 Lakhs)	**56.81**		25.56
With Scheduled Banks on:			
Current Accounts	**520.61**		1,079.18
Call and Deposit Accounts (Pledged with a Bank to the extent of Rs.4.20 Crores) (Prev. year Rs. Nil)	**670.20**		41.18
Dividend Accounts	**15.85**		13.13
With an Other Bank on: (Note 3 below) Current Account	**4.30**		4.30
		1,267.77	1,163.35
Carried forward		**2,988.58**	3,076.92

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

	Rs. in Lakhs	Rs. in Lakhs	Prev. Year Rs. in Lakhs
SCHEDULE "H" (CONTD…)			
Brought forward		**2,988.58**	3,076.92
LOANS & ADVANCES: (Unsecured, considered good, unless otherwise stated)			
Inter-Corporate Deposits - Considered doubtful	**200.00**		200.00
Less: Provision	**200.00**		200.00
	-		-
Advances Recoverable in cash or kind or for value to be received	**116.07**		330.04
Advances to BW Highway Star Private Limited (Note 4 below)			
(a) As Share Application Money	**1,000.00**		-
(b) Other amounts due	**810.38**		-
	1,810.38		-
Amount due from erstwhile Subsidiary (Prev. year Subsidiary)	**51.45**		59.50
Interest Receivable	**72.26**		37.73
Deposits	**83.05**		212.35
Prepaid Expenses	**150.81**		121.99
MAT Credit Entitlement (Note 3.11 of Schedule 'N')	**104.00**		-
Staff Advances	**6.91**		11.37
Payment of Taxes	**2,027.74**		1,467.34
		4,422.67	2,240.32
TOTAL		**7,411.25**	5,317.24

Notes:

1. Sundry Debtors includes Rs. 179.21 Lakhs due from BW Highway Star Private Limited, a Joint Venture Company referred to in note (4) below.
2. Provision for doubtful debts: Opening Balance Rs. 27.70 Lakhs; Addition Rs. 13.86 Lakhs; Deduction Rs. 14.58 Lakhs; Closing Balance Rs.26.98 Lakhs.
3. Balance with a Non-Scheduled Bank: Name of the Bank: The Dhanalakshmi Bank Limited.

   In Current Account: Balance outstanding as on 31st March, 2009 Rs. 4.30 Lakhs (Prev. Year Rs. 4.30 Lakhs) and maximum amount outstanding at any time during the year Rs.4.30 Lakhs (Prev. Year Rs. 5.00 Lakhs).
4. A Joint Venture Company, in which the Company holds 26% shares as at 31st March, 2009 which became a subsidiary after the close of the accounting year on acquiring further shares.

KAMAT HOTELS (INDIA) LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

	Rs. in Lakhs	Rs. in Lakhs	Prev. Year Rs. in Lakhs
SCHEDULE "I"			
CURRENT LIABILITIES AND PROVISIONS:			
CURRENT LIABILITIES:			
Sundry Creditors:			
1. Dues to Micro and Small Enterprises (Note 3.12 of Schedule 'N')	**32.09**		-
2. Dues to other Creditors	**2,175.37**		1,645.21
		2,207.46	1,645.21
Security Deposits		**81.40**	26.14
Advance from Customers		**300.38**	201.02
Interest Accrued But Not Due		**35.63**	21.09
Unclaimed Debenture		**-**	1.09
Unclaimed Dividend (Note 1 below)		**15.78**	13.13
Other Liabilities		**184.00**	203.80
SUB-TOTAL (A)		**2,824.65**	2,111.48
PROVISIONS:			
Provision for Taxation:			
As per last accounts	**1,067.76**		677.24
Add: Transferred during the year	**140.80**		1,026.52
	1,208.56		1,703.76
Less: Deductions during the year	**15.84**		156.90
	1,192.72		1,546.86
Less: MAT Credit Entitlement Availed	**-**		479.10
		1,192.72	1,067.76
Provision for Gratuity:			
As per last accounts	**58.93**		32.15
Add: Transferred during the year	**23.13**		31.27
	82.06		63.42
Less: Contribution to LIC of India Gratuity Fund	**30.65**		4.49
		51.41	58.93
Provision for Earned Leave:			
As per last accounts	**155.43**		102.73
Add: Transferred during the year	**25.63**		52.70
		181.06	155.43
Provision for Loyalty Programmes (Note 2 below)		**21.93**	75.44
Proposed Dividend		**158.37**	395.92
Tax on Proposed Dividend		**26.91**	67.29
SUB-TOTAL (B)		**1,632.40**	1,820.77
TOTAL [(A)+(B)]		**4,457.05**	3,932.25

Notes:

1. There is no amount due and outstanding to be credited to Investors Education and Protection Fund.
2. The Company has loyalty programmes, which enable its customers to accumulate points based on their spends at the Company's hotels. Such points can be encashed at the Company's hotels or by purchase of merchandise. The above is the estimated liability against the loyalty schemes.

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Rs. in Lakhs	Prev. Year Rs. in Lakhs
SCHEDULE "J"		
INCOME FROM HOTEL OPERATIONS:		
a) Rooms, Restaurants, Banquets, and Other Services [Include sale of food, beverages, etc. Rs. 2,475.88 Lakhs (Prev. Year Rs. 2,676.06 Lakhs) (Tax deducted at source Rs. 419.34 Lakhs) (Prev. Year Rs. 120.48 Lakhs) [Net of Excise Duty of Rs. 2.79 Lakhs (Prev. Year Rs. 0.68 Lakhs)]	**10,730.35**	13,735.12
b) Wines and Liquors	**530.97**	585.13
c) Communication Services	**107.23**	148.82
d) Income from Time-Share Business (See note below)	**371.88**	210.76
e) Other Operations (Tax deducted at source Rs. 16.08 Lakhs) (Prev. Year Rs. 4.17 Lakhs)	**263.53**	81.35
TOTAL (A)	**12,003.96**	14,761.18

Note:

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. Refer Note 3.4(b) of Schedule 'N'.

SCHEDULE "K"		
INCOME FROM OTHER OPERATIONS:		
a) Dividend (Gross) (includes Rs. 36.00 Lakhs (Prev. Year Rs. Nil) from Subsidiary Company) (Tax Deducted at source Rs. Nil) (Prev. Year Rs. Nil)	**37.08**	0.18
b) Interest (Gross) (Tax Deducted at source Rs.5.68 Lakhs) Prev. Year Rs. 1.25 Lakhs)	**32.82**	52.06
c) Shop Licence Fees (Tax Deducted at source Rs. Nil) (Prev. Year Rs. Nil)	**45.11**	31.40
d) Gain on Foreign Exchange Difference (Net)	**12.66**	213.46
e) Compensation for Termination of Agreements	**110.00**	-
f) Surplus on disposal of Capital Assets	**87.61**	-
g) Miscellaneous Income (Note 3.13 (a) of Schedule 'N')	**351.76**	208.83
TOTAL (B)	**677.04**	505.93
TOTAL [(A)+(B)]	**12,681.00**	15,267.11

KAMAT HOTELS (INDIA) LIMITED

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Rs. in Lakhs	Rs. in Lakhs	Prev. Year Rs. in Lakhs
SCHEDULE "L"			
OPERATING AND GENERAL EXPENSES:			
1. OPERATING EXPENSES:			
(a) CONSUMPTION OF PROVISIONS, WINES AND SMOKES:			
i) Provisions, Beverages (excluding Wines and Liquor) and Smokes			
Opening Stock	**30.13**		20.32
Purchases	**654.67**		684.14
	684.80		704.46
Less: Closing Stock	**23.43**		30.13
		661.37	674.33
ii) Wines and Liquor			
Opening Stock	**38.34**		42.87
Purchases	**110.09**		121.27
	148.43		164.14
Less: Closing Stock	**47.19**		38.34
		101.24	125.80
		762.61	800.13
(b) PAYMENTS TO AND PROVISIONS FOR EMPLOYEES:			
Salaries and Wages	**2,104.34**		1,878.45
Contribution to Provident and Employees State Insurance Fund	**133.25**		104.28
Provision for Leave Encashment	**26.34**		56.80
Retirement Gratuity	**23.13**		42.81
Workmen and Staff Welfare Expenses	**262.95**		311.07
		2,550.01	2,393.41
(c) OTHER OPERATING EXPENSES:			
Heat, Light and Power	**1,234.48**		865.75
Repairs to Building	**156.77**		205.84
Repairs to Plant and Machinery	**187.10**		187.35
Repairs to Others	**327.99**		171.53
Replacements	**140.17**		79.20
Expenses on Apartment and Board	**507.82**		537.92
Royalty and Fees on Sales	**94.95**		106.59
Commission and Discount	**261.84**		372.82
Music Expenses	**131.24**		147.20
RCI Time Share Membership Expenses	**2.72**		7.07
Washing and Laundry	**156.62**		178.91
Water Charges	**35.29**		29.55
		3,236.99	2,889.73
Carried forward		**6,549.61**	6,083.27

KAMAT HOTELS (INDIA) LIMITED

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Rs. in Lakhs	Rs. in Lakhs	Prev. Year Rs. in Lakhs
SCHEDULE "L" (CONTD…)			
Brought forward		**6,549.61**	6,083.27
2. GENERAL EXPENSES:			
Printing and Stationery	**73.36**		69.22
Expenses on Communication Services	**119.73**		119.11
Travelling and Conveyance	**142.11**		109.92
Insurance	**28.44**		54.87
Advertisement, Publicity and Sales Promotion	**491.84**		615.79
Licences, Rent, Rates and Taxes	**404.50**		400.60
Legal and Professional Fees	**227.96**		197.69
Sitting Fees	**14.15**		12.95
Sales-tax / Luxury Tax etc. including assessment dues	**98.81**		32.63
Donations	**9.06**		0.39
Bad Debts and Irrecoverable amounts written off (net)	**12.96**		2.73
Provision for Doubtful Debts / Advances	**68.51**		21.53
Amortisation of Expenses (Note 3.4(c) of Schedule 'N')	**17.89**		-
Loss on sale of Investment in Subsidiary (Note 3.14 (a) of Schedule 'N')	**9.60**		-
Loss on sale/discard of Fixed Assets (Net)	**62.13**		248.03
Miscellaneous Expenses	**95.33**		109.82
		1,876.38	1,995.28
TOTAL		**8,425.99**	8,078.55
SCHEDULE "M"			
INTEREST AND FINANCE CHARGES :			
On Fixed Loans		**1,874.43**	1,465.88
On Other Loans / Payments		**229.01**	171.42
Finance Charges		**89.63**	19.44
Other Borrowing Costs (Note 3.13 (b) of Schedule 'N')		**136.29**	-
TOTAL		**2,329.36**	1,656.74

SCHEDULE "N" FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS:

1. Background:

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, and FCCBs are listed on the Singapore Exchange Securities Trading Limited, Singapore.

Kamats is operating in hospitality sector, with its hotels and restaurants located in Mumbai, Nashik, Nagpur, Sawantwadi, Pune and Jaipur.

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.

2.2 Use of estimates:

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

2.3 Fixed assets and depreciation:

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 Rs. 5,000/- are depreciated in full in the year of purchase.

2.4 Impairment:

In accordance with Accounting Standard 28 Impairment of Assets (AS 28) as notified by the Companies (Accounting Standards) Rules 2006, 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 payment under an operating lease is recognised as an expense in the Profit and Loss Account on a straight line basis over the lease term.

Assets taken on finance lease are capitalized and finance charges are charged to Profit and Loss Account on accrual basis.

2.6 Investments:

Long term investments are carried at cost less any, diminution in value, other than temporary, determined separately for each individual investment.

2.7 Long Term Deposits:

Deposit amounts paid for acquiring management and other rights of enduring nature in the hotel and other properties owned by other parties for period exceeding ten years are classified as long term deposits.

2.8 Inventories:

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

2.9 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 contracts are represented as advance billing and is recognised proportionately over the period of the contract.

SCHEDULE "N" FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009. (Contd...)

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.

2.10 Export Benefits Entitlement:

Export Benefits in the nature of Duty Credit Scrips are recognised in Profit and Loss Account upon the actual utilisation of Duty Credit Scrips.

2.11 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 recognied in the Profit and Loss Account of 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 Profit and Loss Account. 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 (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. (refer note 3.4 (c) of Schedule 'N').

2.12 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 Profit and Loss Account. 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.

2.13 Provisions and contingent liabilities:

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.

2.14 Employee benefits:

Contribution to provident fund, which is a defined contribution scheme, is recognised as an expense in the Profit and Loss Account in the year in which the contribution is made.

Provision for leave encashment 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 Profit and Loss Account. 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. Actuarial gains and losses are immediately recognised in the Profit and Loss Account.

2.15 Taxation:

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred income 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 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.

2.16 Prior Period Adjustments, Extraordinary items and changes in Accounting Policies:

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

2.17 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.

SCHEDULE "N" FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009. (Contd...)

3. Notes on Accounts:

3.1 Previous year comparatives:

The figures for the previous year have been regrouped / rearranged wherever necessary.

3.2 Contingent liabilities:

(a) Estimated amount of capital commitments to be executed on capital account and not provided for Rs. 1,372.57 lakhs (Prev. Year Rs.943.93 lakhs) (Net of advances).

(b) Disputed Income Tax Demand Rs.6.32 lakhs (Prev. Year Rs.3.43 lakhs).

(c) Open import licenses Rs. 521.14 lakhs (Prev. Year Rs. 179.36 lakhs).

(d) Corporate guarantees to a bank given jointly with two other Joint Venture Stake holders in respect of credit facilities availed by Joint Venture Company for Rs.10,167.00 lakhs (Prev. Year Rs. 3,666.67 lakhs).

(e) Counter Guarantees issued by the Company to secure Bank Guarantees Rs. 107.75 lakhs (Previous year Rs. 40.72 lakhs).

(f) Differential Interest payable on FCCBs on the basis of Yield To Maturity of 8.80% per annum, in the event of non-conversion of Bonds into equity Rs.760.24 lakhs (Prev Year Rs.289.90 lakhs).

(g) Other matters Rs. 81.61 lakhs (Prev. Year Rs.260.02 lakhs).

3.3 The Company has made provision for property tax at Rs. 270.01 lakhs (Previous year Rs. 249.92 lakhs) based on bills raised by the Mumbai Municipal Corporation on the basis of assessment of ratable value of the Company's Hotels at Vile Parle and Andheri. The Company has disputed the assessment of the said ratable value by filing appeals, which are pending before an appropriate Court. Adjustments, if any, will be made on disposal of appeals.

3.4 Prior Period Adjustments, Extraordinary items and changes in Accounting Policies:

(a) Extra-ordinary item for the year represents Luxury tax refund received during the year in terms of Government Notification dated 18th November, 2008, amounting to Rs. 171.71 lakhs which was paid and charged to revenue in the previous year on completion of assessment.

(b) Prior period adjustments: In respect of time share operations, revenue out of the total membership fees due is recognised in the year of membership to the extent of cost attributable to market such membership and balance membership fees is recognised equally over the membership period. In the past, out of the total direct expenses incurred on marketing the time share scheme, the management had considered a part of such expenses attributable to the first year income and balance such expenses were netted off against the advance membership fees, which had been shown under Liabilities. The Company was advised that the entire expenses should be charged to revenue in the very first year. Accordingly the balance of such expenses amounting to Rs. Nil (Prev. Year Rs.753.04 lakhs incurred upto 31st March, 2007) has been charged to revenue and a corresponding credit of equivalent amount out of the advance membership fees has been taken against the same to reflect the gross advance membership fees, which will be recognised as income equally over the balance membership period.

(c) Hitherto the Company was accounting all the exchange differences resulting from translation of monetary

assets and liabilities at the year end rates in the Profit and Loss Account except those related to acquisition of imported fixed assets, which were adjusted in the carrying amount of the related fixed assets. This year the Company has opted for accounting such exchange differences arising on reporting of long term foreign currency monetary items in line with Companies (Accounting Standards) Amendment Rules 2009 on Accounting Standard 11 (AS-11) notified by Government of India on 31st March, 2009. Accordingly such exchange difference on foreign currency loans is accounted by addition to or deduction from the cost of the related assets so far it relates to depreciable capital assets and in other cases by transfer to "Foreign Currency Monetary Item Translation Difference Account" {"FCMITD Account"} to be amortized in accordance with the aforesaid Notification. Exchange difference gain of Rs. 202.58 lakhs recognised in the Profit and Loss Account in the previous year ended 31st March, 2008 relating to said long term liabilities in foreign currency has been reversed and deducted from the concerned depreciable assets amounting to Rs. 198.76 lakhs and / or credited to "FCMITD Account" amounting to Rs. 3.82 lakhs by a corresponding debit to the opening general reserve as provided in the aforesaid Notification. The Company has reversed foreign exchange revaluation loss amounting to Rs. 1,448.45 lakhs on translation of foreign currency loans, which was charged to Profit and Loss Account during the first three quarters of financial year 2008-09 as an exceptional item and debited to concerned depreciable assets and / or to "FCMITD Account". As a result of this change, profit before exceptional item for the year ended 31st March, 2009 is higher by Rs. 1,838.12 lakhs and Rs. 57.49 lakhs respectively with corresponding increase in carrying cost of fixed assets and "FCMITD Account". The Company has amortized Rs. 17.89 lakhs in the Profit and Loss Account for the year ended 31st March, 2009 and balance unamortized amount of Rs. 35.77 lakhs in the "FCMITD Account" has been carried forward to subsequent years for being amortised as per the aforesaid Notification.

3.5 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 notified by the Companies (Accounting Standards) Rule, 2006.

3.6 Related Party Disclosures:

Related Parties where control exists:

(a) Holding Company or Subsidiary Company:
Concept Hospitality Limited –Subsidiary (upto 13th March 2009)

(b) Associates:
Plaza Hotels Private Limited
Kamats Development Private Limited
Kamat Holiday Resorts Private Limited
Kamat Holiday Resorts (Silvassa) Private Limited
Vishal Amusements Limited
Talent Hotels Private Limited
Indira Investments Private Limited
Kamat Concept Hospitality Private Limited
BW Highway Star Private Limited (Joint Venture)
Kamat Holdings Private Limited
Venkatesh Hotels Private Limited
Kamats Club Private Limited
Kamburger Foods Private Limited
Kamats Super Snacks Private Limited
Karaoke Amusements Private Limited
Kamat Eateries Private Limited.

(c) Key Management Personnel -

Mr. Vithal V. Kamat	-	Executive Chairman & Managing Director
Mr. Ramesh N. Shanbhag	-	Wholetime Director
Mr. Vishal V. Kamat	-	Executive Director & also relative
Mr. Vikram V. Kamat	-	Executive Director & also relative

(d) Other related parties with whom transactions have taken place during the year:

V. V.Kamat HUF
Kamats Klub, Lokhandwala (Prop. Mr. Vithal V. Kamat)

(e) Summary of transactions during the year with Related Parties entered into on commercial basis in the interest of the Company and approved by the Board and status of outstanding balances as on 31st March, 2009:

Rs. in Lakhs

Sr. No.	Nature of transactions	Subsidiary Company	Associates	Key Management Personnel & relatives *	Other related parties
1.	Gross Sale of services including Management & Consultancy Fees	Nil (Nil)**	4.04 (Nil)	Nil (Nil)	4.51 (4.22)
2	Technical Consultancy Service Fees earned	Nil (Nil)	175.17 (Nil)	Nil (Nil)	Nil (Nil)
3	Sale of Immovable Property	Nil (Nil)	Nil (Nil)	297.00 (Nil)	Nil (Nil)
4	Purchase of goods & services	Nil (Nil)	2.66 (4.84)	5.42 (9.02)	Nil (Nil)
5	Consultancy Fees/Fees paid towards hotel property under Business Contract Agreement	Nil (Nil)	76.16 (96.27)	Nil (Nil)	Nil (Nil)
6	Reimbursement of contractual remuneration of personnel deputed to Company	Nil (27.96)	Nil (102.65)	Nil (Nil)	Nil (Nil)
7	Rent paid incl. Reimbursement of expenses	Nil (Nil)	Nil (22.50)	Nil (Nil)	Nil (3.00)
8	Reimbursement received towards expenses incurred	Nil (Nil)	Nil (0.70)	Nil (Nil)	Nil (Nil)
9	Interest paid	Nil (Nil)	56.03 (75.54)	Nil (Nil)	51.24 (51.24)
10	Dividend paid	Nil (Nil)	264.57 (220.47)	20.34 (16.89)	4.17 (3.47)
11	Security Deposit given / refunded	Nil (Nil)	Nil (57.01)	Nil (Nil)	Nil (Nil)
12	Advances given on Capital/Current Account	18.44 (59.50)	989.59 (30.00)	Nil (Nil)	Nil (Nil)
13	Inter Corporate Deposit Taken / Refunded	Nil (Nil)	Nil (1,000.00)	Nil (Nil)	Nil (Nil)
14	Investments in Shares/Share application money	Nil (609.60)	1,000.00 (1,000.00)	Nil (Nil)	Nil (Nil)

SCHEDULE "N" FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009. (Contd...)

Rs. in Lakhs

Sr. No.	Nature of transactions	Subsidiary Company	Associates	Key Management Personnel & relatives *	Other related parties
15	**Balance outstanding at the year end:**				
(a)	Secured Non-convertible Redeemable Debentures	Nil (Nil)	466.95 (466.95)	Nil (Nil)	427.00 (427.00)
(b)	Investments in Shares / Share application money	Nil (609.60)	3,144.62 (1,350.50)	Nil (Nil)	Nil (Nil)
(c)	Accounts receivable	Nil (59.50)	989.59 (Nil)	Nil (Nil)	Nil (Nil)
(d)	Deposit paid incl. Under Business Contract Agreement	Nil (Nil)	8,005.00 (8,005.00)	Nil (Nil)	25.00 (50.00)
(e)	Amounts Payable	Nil (Nil)	32.60 (27.22)	3.81 (0.01)	10.55 (Nil)
16	Corporate Guarantee issued by the Company in favour of a bank on behalf of Joint Venture Company	Nil (Nil)	10,167.00 (3,666.67)	Nil (Nil)	Nil (Nil)
17	Corporate Guarantee / Personal Guarantee provided byPlaza Hotels Private Limited / Executive Chairman & Managing Director and Executive Director	Nil (Nil)	20,394.76 (19,807.93)	25,394.76 (17,971.93)	Nil (Nil)

* Relatives of Key Management Personnel: Mrs. Vidya V. Kamat, and Ms. Vidita Kamat (wife and daughter of Mr. Vithal V. Kamat and mother and sister of Mr. Vishal Kamat and Mr. Vikram Kamat), Mrs. Sharda S. Kamat (sister of Mr. Vithal V. Kamat) and Mrs. Maya Shanbhag (wife of Mr. Ramesh N. Shanbhag).

** Figures in brackets are for previous year.

e) Statement of Material Transactions:

Rs. In Lakhs

Name of Company	Current Year	Previous Year
Subsidiaries		
Concept Hospitality Limited (upto 13th March, 2009)		
- Reimbursement of Contractual remuneration of personnel deputed to the Company	**Nil**	130.60
- Advances given on Capital / Current Account	**18.44**	59.50
- Investments in shares	**Nil**	609.60
Associates		
B W Highway Star Private Limited		
- Sale of Goods and Services	**4.04**	Nil
- Technical Consultancy Service Fees earned	**175.17**	Nil
- Advances given on Capital/Current Account and outstading at the year end	**989.59**	Nil
- Share application money paid during the year and outstading at the year end	**1,000.00**	1,000.00
- Investments in Shares	**1,794.12**	1,000.00
- Corporate Guarantees issued to a Bank on behalf of the JV Company	**10,167.00**	3,666.67

SCHEDULE "N" FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009. (Contd...)

(Rs. In Lakhs)

Name of Company	Current Year	Previous Year
Vishal Amusements Limited		
- Purchase of Goods and Services	**2.66**	4.84
- Investments in Shares	**350.00**	350.00
Plaza Hotels Private Limited		
- Fees paid towards hotel property under Business Contract Agreement	**76.16**	96.27
- Interest Paid	**20.03**	39.54
- Dividend Paid	**96.48**	80.40
- Secured Non-convertible Redeemable Debentures taken	**166.95**	166.95
- Deposit paid incl. Under Business Contract Agreement	**8,000.00**	8,000.00
- Amounts Payable	**25.80**	27.22
- Corporate Guarantee provided by the above for securing loans taken by the Company	**20,394.76**	19,807.93
- Security Deposits given during the year	**Nil**	57.01
- Inter Corporate Deposit Taken	**Nil**	1,000.00
Kamat Holiday Resorts (Silvassa) Private Limited		
- Interest Paid	**18.00**	18.00
- Secured Non-convertible Redeemable Debentures taken	**150.00**	150.00
- Reimbursement received towards expenses incurred	**Nil**	0.26
Kamat Holiday Resorts Private Limited		
- Interest Paid	**18.00**	18.00
- Secured Non-convertible Redeemable Debentures taken	**150.00**	150.00
- Reimbursement received towards expenses incurred	**Nil**	0.30
Kamat Holdings Private Limited		
- Dividend Paid	**45.00**	37.50
Indira Investments Private Limited		
- Dividend Paid	**45.87**	38.23
Key Management Personnel and relatives		
Mrs. Vidhya V. Kamat		
- Sale of Immovable Property	**297.00**	Nil
Vithal V. Kamat		
- Purchase of Goods and Services	**4.22**	3.42
- Personal Guarantee provided by him for securing loans taken by the Company	**22,894.76**	17,971.93
Mrs. Maya Shanbhag		
- Purchase of Goods and Services	**1.20**	1.20
Other Related Parties:		
Vithal V. Kamat - HUF		
- Gross Sale of services including Management and Consultancy Fees	**4.51**	4.22
- Interest paid	**51.24**	51.24
- Secured Non-convertible Redeemable Debentures taken	**427.00**	427.00
- Amounts Payable	**10.55**	Nil
Kamats Klub Lokhandwala		
- Rent paid	**Nil**	3.00

SCHEDULE "N" FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009. (Contd...)

3.7 Leases:

The Company's significant leasing arrangements are in respect of operating leases for premises. These leasing arrangements, which are not non-cancellable, range between elevan 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-cancellable operating leases (other than land) entered into by the Company:

Particulars	**Current Year (Rs. in Lakhs)**	Previous Year (Rs. in Lakhs)
Payable within one year –	**188.66**	143.15
Payable later than one year but not later than five years –	**773.89**	614.39
Payable after five years -	**4,041.26**	2,787.21

The Company also has finance leasing arrangements in respect of vehicles. Future commitments in respect of minimum installments payable under Finance schemes:

Particulars	**Current Year (Rs. In Lakhs)**	Previous Year (Rs. In Lakhs)
Minimum Installments:		
Payable within one year –	**14.23**	23.24
Payable later than one year but not later than five years –	**0.29**	15.80
Present value of Minimum installments		
Payable within one year –	**13.69**	20.75
Payable later than one year but not later than five years –	**0.27**	12.57

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

Particulars	**Current Year (Rs. in Lakhs)**	Previous Year (Rs. in Lakhs)
Receivable within one year –	**35.00**	47.67
Receivable later than one year but not later than five years –	**14.39**	17.21
Receivable after five years -	**Nil**	Nil

SCHEDULE "N" FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009 (Contd...)

3.8 Earnings per share:

Basic & Diluted:

Particulars	Current Year (Rs. In Lakhs)	Previous Year (Rs. In Lakhs)
Profit after tax as per Accounts:		
Before Extraordinary items	**394.38**	2,853.94
After Extraordinary Items	**566.10**	2,733.05
No. of Shares issued	**1,31,97,395**	131,97,395
Nominal Value of Share (Rs.)	**10.00**	10.00
Weighted average no. of Shares – Basic	**1,31,97,395**	1,31,97,395
Basic E.P.S. (Rs.) :		
Before Extraordinary items	**2.99**	21.63
After Extraordinary items	**4.29**	20.71
Weighted average no. of Shares – Diluted	**1,67,34,995**	1,67,34,995
Diluted E.P.S. (Rs.):		
Before Extraordinary items	**2.36**	17.05
After Extraordinary items	**3.38**	16.33

3.9 Deferred Tax:

a) Major Components of Deferred Tax Assets and Deferred Tax Liabilities:

Particulars	Current Year (Rs. In Lakhs)	Previous Year (Rs. In Lakhs)
Deferred tax liabilities		
Difference in depreciation	**2,867.71**	2,575.55
Loss on Foreign Exchange under AS-11 Notification	**618.67**	Nil
Total	**3,486.38**	**2,575.55**
Deferred tax assets		
Expenses allowable for tax purpose on payment basis	**274.08**	230.24
Unabsorbed Depreciation / Business Loss	**482.12**	Nil
Provision for doubtful debts / contingencies	**9.17**	9.42
Total	**765.37**	**239.66**
Deferred Tax Liability (net)	**2,721.01**	**2,335.89**
Incremental Liability	**385.12**	

3.10 Employee Benefits:

The disclosures required under Accounting Standard 15 “Employee Benefits” notified in the Companies (Accounting Standards) Rules 2006, are given below:

Defined Contribution Plan

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

SCHEDULE "N" FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009 (Contd...)

Particulars	Current Year (Rs. In Lakhs)	Previous Year (Rs. In Lakhs)
Employer's Contribution to Provident Fund	**57.90**	41.33
Employer's Contribution to Pension Scheme	**45.91**	36.59

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):

	Particulars	Current Year (Rs. In Lakhs)	Previous Year (Rs. In Lakhs)
a.	**Reconciliation of opening and closing balances of Defined Benefit obligation**		
	Defined Benefit obligation at beginning of the year	**99.67**	81.15
	Current Service Cost	**22.63**	14.01
	Interest Cost	**1.91**	1.56
	Actuarial (gain) / loss	**32.43**	15.08
	Benefits paid	**(20.18)**	(12.13)
	Defined Benefit obligation at year end	**136.46**	99.67
b.	**Reconciliation of opening and closing balances of fair value of plan assets**		
	Fair value of plan assets at beginning of the year	**69.02**	71.74
	Expected return on plan assets	**7.40**	6.36
	Employer contribution	**29.07**	0.66
	Benefits Paid	**(20.18)**	(12.13)
	Actuarial gain/(loss)	**(5.82)**	2.39
	Fair value of plan assets at year end	**79.49**	69.02
	Actual return on plan assets	**7.40**	6.36
c.	**Reconciliation of fair value of assets and obligations**		
	Fair value of plan assets as at 31st March, 2009	**79.49**	69.02
	Present value of obligation as at 31st March, 2009	**136.46**	99.67
	Amount recognised in Balance Sheet	**56.97**	30.65
d.	**Net Gratuity and other cost for the year**		
	Current Service Cost	**22.63**	14.01
	Interest Cost	**1.91**	1.56
	Expected return on plan assets	**(7.40)**	(6.36)
	Actuarial (gain) / loss	**32.43**	15.08
	Net Cost	**49.57**	24.29

SCHEDULE "N" FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009 (Contd...)

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)	**9.15%**	9.15%
	Rate of escalation in salary (per annum)	**5%**	5%
	Employer's best estimate of expected contribution for next year	**56.97**	30.65

Leave Encashment (Non-Funded):

	Particulars	Current Year (Rs. In Lakhs)	Previous Year (Rs. In Lakhs)
a.	**Reconciliation of opening and closing balances of Defined Benefit obligation**		
	Defined Benefit obligation at beginning of the year	**155.43**	102.73
	Actuarial (gain) / loss	**25.63**	52.70
	Defined Benefit obligation at year end	**181.06**	155.43
b.	**Reconciliation of fair value of assets and obligations**		
	Present value of obligation as at 31st March, 2009	**181.06**	155.43
	Amount recognised in Balance Sheet	**181.06**	155.43
c.	**Expenses recognised during the year**		
	Actuarial (gain) / loss	**25.63**	52.70
	Net Cost	**25.63**	52.70

The estimated 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 and relied upon by the auditors.

3.11. Income Tax

The Company has considered Foreign Exchange Rate Fluctuation Loss of Rs.1,838.12 lakhs (Previous year Rs. Nil) in respect of completed project which has been accounted in the books in accordance with the notification dated 31st March, 2009 issued by the Government of India amending Accounting Standard 11 "Effect of changes in Foreign Exchange Rates" as an allowable expenditure for the purpose of computing the provision for tax for the year ended 31st March, 2009 based on experts' opinion.

In view of the negative taxable income under normal provisions of Income Tax Act during the year, under Section 115JB of the Act (MAT), provision for tax has been made at Rs. 104.00 lakhs (Prev. Year Rs. Nil).

In accordance with guidance note issued by The Institute of Chartered Accountants of India during the year the Company has accounted for MAT Credit Entitlement of Rs. 104.00 lakhs (Prev. Year Rs. Nil).

3.12 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:

SCHEDULE "N" FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009 (Contd...)

Particulars	Current Year (Rs. In Lakhs)	Previous Year (Rs. In Lakhs)
Dues remaining unpaid at the year end:		
- Principal	**31.56**	Nil
- Interest	**0.53**	Nil
Interest paid in terms of Section 16 of the Act	**Nil**	Nil
Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	**0.53**	Nil
Amount of interest accrued and remaining unpaid at the year end	**0.53**	Nil
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	**0.26**	Nil

3.13. (a) Miscellaneous Income of Rs. 351.76 lakhs (Prev. year Rs. 208.83 lakhs) includes Duty Free entitlement credit of Rs. 111.57 lakhs (Prev. year Rs.138.82 lakhs) on capital account.

(b) Other Borrowing Costs of Rs. 136.29 lakhs (Prev. Year Rs. Nil) in Schedule 'N' is in respect of notional foreign exchange loss of the nature referred to in clause 4 (e) of Accounting Standard 16 - Borrowing Costs issued by the Companies (Accounting Standards) Rule, 2006.

3.14 Subsidiaries:

(a) M/s. Concept Hospitality Limited ceased to be subsidiary of the Company consequent upon disposal of all the 4,80,000 Equity Shares of Rs. 10/- each held by the Company on 14th March, 2009. Loss of Rs. 9.60 lakhs on sale of shares of subsidiary has been shown in General Expenses in Schedule 'L'. Since the Company did not have any subsidiary as on 31st March, 2009, it has not prepared Consolidated Financial Statements for the year 2008-09.

(b) M/s. B.W. Highway Star Private Limited became the subsidiary of the Company consequent upon acquiring more than 51% shares in the said Company after the close of the year 2008-09.

3.15 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 entity:

(Rs. In Lakhs)

Name of the Company	Country of Incorporation	Holding (%)	Amount of Interest based on the unaudited provisional results for the year ended 31st March, 2009			
			Assets	Liabilities	Income	Expenditure
B.W Highway Star Pvt. Ltd.	India	26	6206.38	4584.10	37.08	378.64
		(17)*	(2,721.01)	(1,436.97)	(1.35)	(1.71)

*Figures in the brackets are for previous year.

SCHEDULE "N" FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009 (Contd...)

3.16 Additional information pursuant to the provisions of para IV of part II of schedule VI to the Companies Act, 1956

a) Auditors' Remuneration:

Particulars	Current Year (Rs. In Lakhs)	Previous Year (Rs. In Lakhs)
As Audit Fees	**5.00**	5.00
For Tax Audit Fees	**0.55**	0.55
For Certification & Other Services	**2.15**	2.13
Out of Pocket Expenses	**0.20**	0.20
Service Tax	**0.86**	0.97
Total	**8.76**	**8.85**

b) Managerial Remuneration:

Particulars	Current Year (Rs. In Lakhs)	Previous Year (Rs. In Lakhs)
Remuneration to Managing and Whole Time Directors (Rs.51.00 Lakhs to Managing Director) (Prev. Year Rs.54.00 Lakhs) (See Note 1 below)	**100.20**	96.00
Contribution to Provident Fund	**10.57**	8.85
Perquisites	**1.67**	7.81
Sub-Total	**112.44**	112.66
Directors' sitting fees	**14.15**	12.95
Total	**126.59**	**125.61**

Notes:

1. Remuneration of Rs.7.92 lakhs paid to Mr. Vikram V. Kamat, Executive Director for the period from 1st October, 2008 to 31st March 2009 is subject to approval of the shareholders of the Company in the ensuing Annual General Meeting.
2. Managerial remuneration excludes provision for gratuity and earned leave, since it is provided on Actuarial Valuation of the Company's liability to all its employees.
3. The Company has not paid/provided any Commission to any managerial personnel and therefore, the Computation of Net Profit in accordance with Section 198 read with Section 309(5) of the Companies Act, 1956 has not been given.

c) Earnings in foreign exchange:

Particulars	Current Year (Rs. In Lakhs)	Previous Year (Rs. In Lakhs)
For Services rendered	**3,491.83**	5,052.73

d) Expenditure in foreign currency (including provisions):

Particulars	Current Year (Rs. In Lakhs)	Previous Year (Rs. In Lakhs)
Interest on Foreign Currency Convertible Bonds	**472.10**	417.45
Commission to Travel Agents, Membership & Subscription, Internet / Website Charges, Bank Charges, Annual Listing Fees, Advertisement etc.	**56.64**	93.26

SCHEDULE "N" FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009 (Contd...)

e) 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:

Particulars	Current Year (Rs. In Lakhs)	Previous Year (Rs. In Lakhs)
Dividend (2007-08):		
(a) Number of non-resident shareholders	**398**	330
(b) Number of Equity Shares held	**16,06,778**	16,49,893
(c) Amount of Dividend remittable and paid	**48.20**	41.25

f) Value of Imports on CIF basis:

Particulars	Current Year (Rs. In Lakhs)	Previous Year (Rs. In Lakhs)
Capital Goods	**81.63**	141.20
Spare Parts	**7.67**	1.01
Provisions, Wines etc.	**9.28**	3.96

g) Quantitative Information:

In respect of the Company's turnover of Food & Beverages, it is not possible to give quantity-wise details of such turnover. The Government of India, Ministry of Finance (Department of Company Affairs) vide their Order No. 46/119/2009-CL-III dated 24th April, 2009 has exempted the Company from giving these particulars in the accounts for the financial year ending March 2009 to March 2011, subject to certain specific disclosures, which have been complied with by the Company.

KAMAT HOTELS (INDIA) LIMITED

Information pursuant to Part IV of Schedule VI to the Companies Act, 1956:

(Rupees in Thousands)

I	**Registration Details:**	
	CIN No.	L55101MH1986PLC039307
	State Code	11
	Balance Sheet date	31.03.2009
II	**Capital raised during the year:**	
	Public Issue	Nil
	Bonus Issue	Nil
	Right Issue	Nil
	Private Placement	Nil
III	**Position of Mobilisation and Deployment of Funds:**	
	Total Liabilities	50,01,853
	Total Assets	50,01,853
	Sources of Funds:	
	Paid up Capital	1,37,859
	Reserves & Surplus	14,99,602
	Secured Loans	17,35,157
	Unsecured Loans	13,57,134
	Deferred Tax Liability (Net)	2,72,101
	Application of Funds:	
	Net fixed assets (incl. Capital work in progress)	36,79,285
	Investments	2,19,221
	Foreign Currency Monetary Item Translation Difference	3,577
	Long Term Deposits	8,04,350
	Net Current Assets	2,95,420
	Miscellaneous Expenditure	Nil
	Accumulated Losses	Nil
IV.	**Performance of the Company:**	
	Turnover (including other income)	12,68.099
	Total Expenditure	11,86,469
	Profit (+)/ Loss (-) before tax	98,801
	Profit (+) / Loss (-) after tax	56,609
	Earnings per equity share (in Rupees)	2.99
	Dividend on equity shares (Rate in %)	12%
V	**Generic Names of Three Principal Products of Company:**	
	The Company is in the business of hoteliering and catering & timeshare, which is not covered under ITC classification.	

Vithal V. Kamat	Executive Chairman & Managing Director
Ramesh N. Shanbhag	Wholetime Director
Vishal V. Kamat	Executive Director
Vikram V. Kamat	Executive Director
Kurian Chandy	Chief Financial Officer
Mahesh Kandoi	Company Secretary

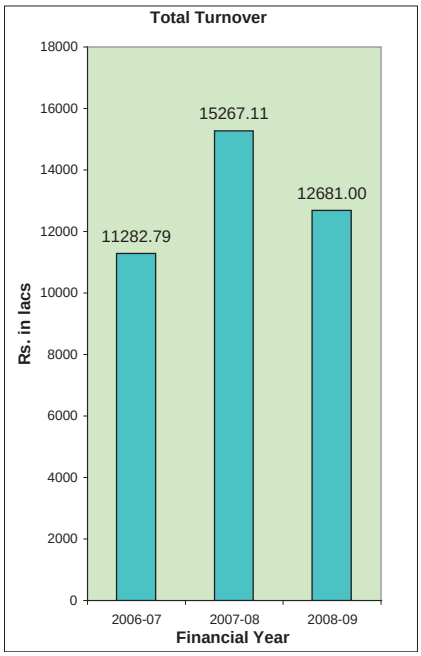
Mumbai: 30th May, 2009

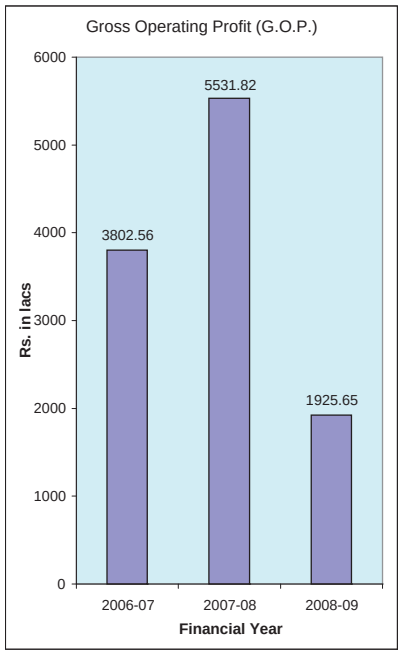
Financial Highlights:

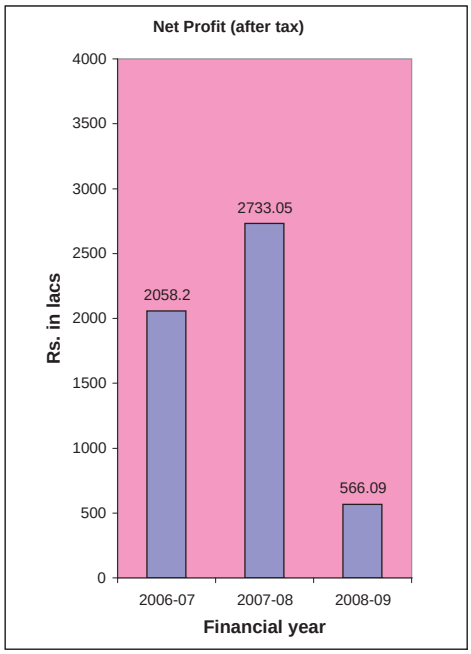
Rs. in lakhs

Particulars	1999-2000 (15 months)	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
Income from operations	5,471.86	5,556.68	4,500.02	4,454.10	4,840.55	5,353.84	8,146.25	11,192.98	14,761.18	12,003.96
Other Income	92.04	38.09	44.58	132.41	56.10	49.37	87.83	89.81	505.93	677.04
Turnover	5,563.90	5,594.77	4,544.60	4,586.51	4,896.65	5,403.21	8,234.08	11,282.79	15,267.11	12,681.00
Total Expenditure	5,171.41	5,068.79	4,524.72	4,534.61	4,774.69	4,581.46	6,513.15	8,274.65	10,725.91	11,864.70
Profit Before Tax	392.49	525.98	19.88	51.90	121.96	821.75	1,720.93	3,008.14	4,369.59	988.01
Taxation	70.58	45.37	19.06	41.24	50.24	411.34	163.02	949.94	1,628.93	421.92
Profit After Tax	321.91	480.61	0.82	10.66	71.72	410.41	1,557.91	2,058.20	2,740.66	566.09
Equity Share Capital	1,133.14	1,133.14	1,133.14	1,133.14	1,133.14	1,133.14	1,378.59	1,378.59	1,378.59	1,378.59
Reserves and Surplus	6,445.04	6,817.51	6,410.63	6,261.16	6,318.74	6,604.18	1,0875.76	12,547.95	1,4817.79	14,966.02
Net-worth	7,506.88	7,802.56	7,357.89	7,307.64	7,407.72	7,720.97	12,248.33	13,926.54	16,196.38	16,374.61
Earning per Share (Rs)	2.03	4.35	0.02	0.07	0.65	3.79	12.38	15.60	21.63	2.99
Book Value per Share (Rs)	68.79	72.63	68.49	68.02	68.95	71.87	92.81	105.52	122.72	124.07
Return on Net Worth (percentage)	3.60	5.99	0.03	0.10	0.94	5.27	12.72	14.78	16.87	3.46
Dividend	8%	8%	5%	-	6%	10%	15%	25%	30%	12%

KAMAT HOTELS (INDIA) LIMITED







ATTENDANCE SLIP

KAMAT HOTELS (INDIA) LIMITED

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

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

I hereby record my presence at the Twenty-Second Annual General Meeting of the Company to be held at "Shubham Hall", Landmark Bldg., Opp. Vile Parle Railway Station, Junction of Besant Road and V. P. Road, Vile Parle (West) Mumbai - 400 056 on Saturday, the 26th September, 2009 at 3.00 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.

PROXY FORM

KAMAT HOTELS (INDIA) LIMITED

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

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

I/We .....of .....
being a Member/Members of the above named Company hereby appoint ..... of ..... or failing him/her..... of ..... or failing him/her..... of ..... as my / our proxy to attend and vote for me / us on my / our behalf at the Twennty-Second Annual General Meeting of the Company to be held at "Shubham Hall", Landmark Bldg., Opp. Vile Parle Railway Station, Junction of Besant Road and V. P. Road, Vile Parle (West), Mumbai - 400 056 on Saturday, the 26th September, 2009 at 3.00 p.m. and at any adjournment thereof.

Signed this ..... day of 2009

Please affix
Re.1 Revenue
Stamp here

** Applicable for investors holding shares in electronic form.

Signature

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.

Terms & Conditions:

1. Room will be subject to availability and to be booked 15 days in advance.
2. Room reservation to be made during office hrs. i.e. between 9 a.m. to 6 p.m. at the respective hotels only and use of coupon with number to be mentioned, failing which, the discount will not be extended.
3. The Original coupon needs to be presented to the Reception on check-in.
4. When making a booking, they must specify that they are share holders.
5. The coupon will be valid for a double occupancy room only, extra bed will be charged at Rs. 1,500/- plus taxes.
6. The above offer is valid for room only basis.
7. Check-in / check-out time will be 12 noon.
8. One day advance has to be paid at the time of booking.
9. Child below 12 yrs. will be free of charge if extra bed is not taken, over and above will be charged.
10. The rate of the day for a standard room will be charged at the time of making the booking.
11. Validity of the coupons till 30th September 2010.
12. The complimentary room is to be used immediately after the paid room and cannot be taken at a later date.
13. The room booking has to be guaranteed by a credit card payment or an advance payment.
14. A room booking cancellation will be honoured only if given in writing 24 hrs. in advance before the arrival.
15. Discounts in F&B cannot be clubbed with any other discounts, promotions etc

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14. A room booking cancellation will be honoured only if given in writing 24 hrs. in advance before the arrival.
15. Discounts in F&B cannot be clubbed with any other discounts, promotions etc

Terms & Conditions:

1. 30% discount on food and beverages (including Alcoholic beverages).
2. The Original coupon has to be presented to the Restaurant dining in.
3. Upto 10 pax can be entertained at any given time per coupon.
4. Discounts in F&B cannot be clubbed with any other discounts, promotions etc.
5. Coupon not valid for Banquets.
6. Validity of the coupons till 30th September 2010.

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

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

LOTUS RESORTS

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

KAMAT HOTELS (INDIA) LIMITED

2nd room night free*
(Pay for One night & get the Second night free)

Coupon: A
Name: .....
Tel. No.: .....

SHAREHOLDER'S COUPON

*Subject to Terms & Conditions overleaf
*Coupon valid at following brands

THE ORCHID | VITS Guest. Rest. Best. Luxury Business Hotels | LOTUS RESORTS | Fort Jadhav GADH Ladh, Jhagadh, Aage Badh...

KAMAT HOTELS (INDIA) LIMITED

2nd room night free*
(Pay for One night & get the Second night free)

Coupon: B
Name: .....
Tel. No.: .....

SHAREHOLDER'S COUPON

*Subject to Terms & Conditions overleaf
*Coupon valid at following brands

THE ORCHID | VITS Guest. Rest. Best. Luxury Business Hotels | LOTUS RESORTS | Fort Jadhav GADH Ladh, Jhagadh, Aage Badh...

KAMAT HOTELS (INDIA) LIMITED

2nd room night free*
(Pay for One night & get the Second night free)

Coupon: C
Name: .....
Tel. No.: .....

SHAREHOLDER'S COUPON

*Subject to Terms & Conditions overleaf
*Coupon valid at following brands

THE ORCHID | VITS Guest. Rest. Best. Luxury Business Hotels | LOTUS RESORTS | Fort Jadhav GADH Ladh, Jhagadh, Aage Badh...

KAMAT HOTELS (INDIA) LIMITED

VALID ONLY ON F&B

30% Discount on F & B *

Coupon: D
Name: .....
Tel. No.: .....

SHAREHOLDER'S COUPON

*Subject to Terms & Conditions overleaf
*Coupon valid at following brands

THE ORCHID | VITS Guest. Rest. Best. Luxury Business Hotels | LOTUS RESORTS | Fort Jadhav GADH Ladh, Jhagadh, Aage Badh...

THE ORCHID FIVE STAR ECOTEL HOTEL PRIEHELY, ISO-PRIEHELY | VITS Guest. Rest. Best. Luxury Business Hotels | LOTUS RESORTS Chill. Sell. Tranquil. | Fort Jadhav GADH A Gadh Heritage Hotel Ladh, Jhagadh, Aage Badh...